

**CITY OF CHASKA**  
STATE OF MINNESOTA

2004 COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2004

**CITY OF CHASKA  
STATE OF MINNESOTA**

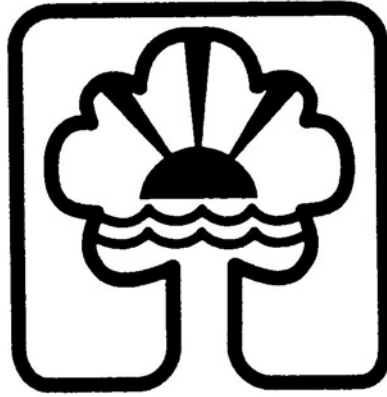
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2004**

Prepared by:  
Administrative Services Department

Noel J. Graczyk  
Administrative Services Director,  
Treasurer

Barbara J. Hand  
Assistant Finance Director



CHASKA

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**City of Chaska, Minnesota**

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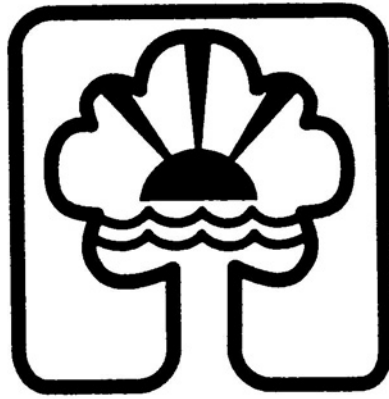
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CHASKA



June 29, 2005

**To the Citizens of the City of Chaska,  
Honorable Mayor and Council Members,  
Mr. Dave Pokorney, City Administrator**

State law requires that all general-purpose local governments publish each fiscal year a complete set of financial statements presented in conformity with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) for the City of Chaska for the fiscal year ended December 31, 2004.

This report consists of management's representations concerning the finances of the City of Chaska. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide reasonable basis for making these representations, management of the City of Chaska has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Chaska's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Chaska's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Chaska's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich, & Co., P.A., a firm of licensed and certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Chaska for the fiscal year ended December 31, 2004 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the City of Chaska's financial statements for the fiscal year ended December 31, 2004, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Chaska's MD&A can be found immediately following the report of the independent auditors.



**Profile of the Government**

The City of Chaska was founded in 1851, incorporated March 3, 1891, and since 1975 has operated under a Statutory Plan “A” form of government, as modified, in accordance with Minnesota State Statutes Chapter 412.023, Subdivision 5. The Chaska City Council consists of a Mayor, with a two-year term of office, and four Council Members, each with a four-year term of office. Elections are held on the second Tuesday of November of each even-numbered year. No more than two Council Members’ terms expire in any one-year.

The City Administrator is appointed by the Chaska City Council and serves as the City Clerk. A City Attorney is retained and appointed by the Chaska City Council. The Administrative Service Director serves as the Treasurer.

The primary mission of the City of Chaska is to enhance and maintain the high quality of life of its “shareholders”, the citizens of Chaska, which has been nurtured in the community since its incorporation in 1851. Consistent with its mission, the City will strive to maintain its unique historical small town image and sense of community while supporting well-planned, orderly growth. To achieve it’s mission, the city has established five ongoing core strategies:

- Enhance Chaska’s high quality of life
- Plan orderly community development
- Maintain a sense of community and small town values
- Assure that quality basic municipal services are provided
- Maintain a commitment to excellence

The City of Chaska provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events. The City also operates eight enterprises: an electric, water and sewer utility, a community center, two golf courses, a turbine generator utility and an internet service provider. In addition to these governmental and enterprise activities, the Chaska City Council serves as the board of the Chaska Economic Development Authority (EDA). The EDA is included in this report as a blended component unit.

The annual budget serves as the foundation for the City of Chaska’s financial planning and control. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Chaska City Council. Activities of the General Fund and certain special revenue funds are included in the annual appropriated budget. Debt service budgetary control is established by bond sale resolution covenants. Project-length financial plans are adopted for capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Expenditures for departments or divisions that exceed appropriations are not authorized unless additional revenue sources or fund balance are identified and available. Unused appropriated expenditures lapse at year-end.

**Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Chaska operates.

**Local economy.** The City of Chaska currently enjoys a favorable economic environment and local indicators point to continued stability. The City is located on the Minnesota River approximately 18 miles southwest of the downtown area of Minneapolis. Access to the City from one of the “Twin Cities” areas, of either Minneapolis or St. Paul, is possible with interstate highway 494 and various state highways. Access to the downtown and other commercial and retail areas of Chaska will only be made easier in future years when Highway 312 is extended to Chaska.

The economic position of the City has continued to show strong gains through the City’s effort to increase economic development. One of the City’s current five-year priority goals is to pursue activities that will assist in the revitalization/expansion of the downtown commercial district. In the last fifteen years, 24 buildings have had storefront renovations, 292,000 square feet of new or renovated commercial space was added and 353 new living units were constructed. The Chaska Economic Development Authority has assumed a lead role in facilitating the downtown revitalization. The primary financing source for these activities will continue to be from tax increment financing, which allows the City to capture all new taxes generated by new development in excess of those previously collected in a tax increment district.

In early 2004, the City annexed Chaska Township, an area located immediately northwest of downtown Chaska. This area is 550 acres, which is guided for residential development. The economic vitality of downtown Chaska has been historically limited due to its proximity to the Minnesota River and the City’s westerly corporate limits. Due to these limitations, the downtown service radius is currently 56 percent of its optimum size. The annexation and development of adjacent Chaska Township would increase the downtown service radius to 74 percent of its optimum size. The addition of urban densities to the project area would be consistent with the downtown development pattern and would assist in the long-term economic preservation of downtown Chaska.

**Long-term financial planning.** Each year the City develops a five-year financial forecast. The primary purpose of the forecast is to project available revenues and anticipated expenditures for all operating funds supported by property tax levies. In addition, the forecast is used to establish the City’s maximum tax levy, which is required through the Truth in Taxation public hearing process. In preparing the five-year forecast, every attempt is made to accurately and conservatively estimate revenues and expenditures. The 2004-2008 forecast was developed based on the following five criteria:

1. Maintain existing service levels recognizing that certain service levels need to be increased based on population growth and increased demands.
2. Maintain a constant tax capacity rate through the planning period.
3. Fully fund replacement of the City’s existing capital investments.

4. Fund resources for new programs only after existing, necessary programs are funded.
5. Address the fiscal reality that the State of Minnesota will no longer financially partner with cities, and local government aid will be phased out by 2008.

Key factors which impact both the costs of providing services and the City's revenue resources are changes in Chaska's population and households. As the number of households in the community increases, there are increased demands for street maintenance, snow plowing, park usage, recreation, police calls, utility bills, etc. Population and household levels also impact expected revenues from utilities, local government aid, and property tax levies.

The 2004-2008 forecast reveals that the city can maintain its existing service levels within the forecasted revenues while at the same time maintaining a low property tax rate. In comparison, Chaska's tax levy is one of the lowest in the metropolitan area and significantly lower than neighboring communities. Results of customer service evaluations indicate that citizens are very happy with the level of services provided by the City.

**Cash management policies and practices.** Cash temporarily idle during the year was invested in accordance with Minnesota State Statutes and the City's investment policy. Investments were placed in demand deposits, certificates of deposits, obligations of the U. S. Treasury and U.S. Agencies, commercial paper and mutual funds.

At December 31, 2004, idle cash was invested as follows:

Mutual Funds	\$ 3,849,696
Investments Placed by City	
U. S. Government and Agencies	16,617,099
Commercial Paper	10,181,024
Certificates of Deposit	1,290,000
Deposits and Petty Cash	19,664
Guaranteed Investment Contracts	9,134,302
Total Investments	\$ 41,091,785

The City's investment policy places a priority in safety and liquidity of principal over potential of additional yield. Thus, all deposits are insured or collateralized. All collateral for deposits was held in the City's name by a financial institution other than the depository. All investments are held by the City's agent during the year and at year-end.

**Risk management.** During 2004, the City continued to accumulate unreserved retained earnings in the Self Insurance Internal Service Fund in order to establish reserves for catastrophic losses. These designations are based on premiums returned to the City from the League of Minnesota Cities Insurance Trust (LMCIT) in the form of dividends. Reserves will be used to pay future deductible and claim costs.

**Pension and other post-employment benefits.** All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost sharing multiple-employer retirement plans.

PERF members belong to a Coordinated Plan and are covered by Social Security. All police officers and peace officers that qualify for membership by statute are covered by the PEPFF.

Minnesota State Statutes, Chapters 353 and 356 set the rates for the employer and employee contributions. The City makes annual contributions to the pension plans equal to the amount required by state statutes. PERA does not make separate measurements of assets and pension benefit obligation for individual employers.

The City also makes contributions to the Chaska Fire Department Relief Association (CFDRA) based on statutory funding requirements and an agreement between the City and the CFDRA. The CFDRA operates a single employer public employee retirement plan for volunteer fire fighters.

#### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to the City of Chaska for its comprehensive annual financial report (CAFR) for fiscal year ended December 31, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. A CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Chaska has received a Certificate of Achievement for the last fifteen consecutive years (fiscal years ended 1989-2003). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

#### **Acknowledgements**

The preparation of this report was made possible by the dedicated service of the City staff, and in particular, members of the Administrative Service Department. Special recognition is in order to Ms. Barbara J. Hand, Assistant Finance Director, who is responsible for operational oversight of the financial system, closing adjustments, annual audit, and preparation of the CAFR. Recognition is also in order to Lisa M. Nelson, Accountant, who assisted in the production of this report.

**Letter Of Transmittal**

**City of Chaska, Minnesota**

**For the Year Ended December 31, 2004**

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I would like to express appreciation to Dave Pokorney, the City Administrator, and to the Honorable Mayor and Chaska City Council members for their interest and support in planning and conducting the financial operations of the City.

Respectfully Submitted,

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Noel J. Graczyk  
Administrative Services Director  
Treasurer  
City of Chaska

---

Barbara J. Hand  
Assistant Finance Director  
City of Chaska

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Chaska,  
Minnesota

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Zjella*

President

*Jeffrey R. Emer*

Executive Director

# Organizational and Administrative Structure

**City of Chaska**

**December 31, 2004**

**ORGANIZATIONAL STRUCTURE**

**City of Chaska Residents and Businesses**

Elected Five Member City Council		
Appointed Boards	Council Selected Outside Professional Advisors	Appointed Positions
Planning Commission	Independent Financial Auditing Firm	City Attorney
Parks Recreation and Arts (Cable)	Financial Consulting Firm	City Administrator (City Clerk)
Human Rights Commission	Engineering Consulting Firm	

**ADMINISTRATIVE STRUCTURE [ 360 Employees (108-10-9-233) ]**

**City Administrator (City Clerk) (1-0-0-0)**

<p><b>Assistant to the Admin, Economic Development Coordinator (1-0-0-0)</b></p> <p><b>Administrative Services (12-3-0-0)</b>                  (1-0-0-0) Administrative Services Director (Treasurer)                  (1-0-0-0) Assistant Finance Director                  (1-0-0-0) Accountant II                  (1-0-0-0) Senior Accounting Clerk                  (2-0-0-0) Accounting Clerk                  (1-0-0-0) Utility Billing Coordinator                  (1-1-0-0) Utility Account Clerk                  (1-2-0-0) Customer Service Representative                  (1-0-0-0) Information Systems Manager                  (1-0-0-0) PC/Network Analyst                  (1-0-0-0) Information Technology Technician/Help Desk Support</p> <p><b>Community Development (9-0-0-0)</b>                  (2-0-0-0) Administrative Secretary                  (1-0-0-0) Administrative Support                  (1-0-0-0) Fire Marshall                  (1-0-0-0) Building Official                  (4-0-0-0) Inspector</p> <p><b>Planning Services (2-0-0-0)</b>                  (1-0-0-0) Director of Planning and Development                  (1-0-0-0) City Planner</p> <p><b>Engineering Services (2-0-0-0)</b>                  (1-0-0-0) City Engineer                  (1-0-0-0) Engineering Technician</p> <p><b>Police Services (24-3-0-0) [22 licensed officers]</b>                  (1-0-0-0) Chief of Police                  (4-0-0-0) Patrol Sergeant                  (1-0-0-0) Detective Sergeant                  (1-0-0-0) Detective                  (3-0-0-0) School Resource Officer                  (12-0-0-0) Patrol Officer                  (1-3-0-0) Secretary                  (1-0-0-0) Community Service Officer</p> <p><b>Public Works Services (16-0-4-6)</b>                  (1-0-0-0) Public Works Superintendent                  (1-0-0-0) Public Works Foreman                  (1-0-0-0) Park Leadworker                  (1-0-0-0) Mechanic Foreman                  (2-0-0-0) Mechanic                  (9-0-0-0) Maintenance III                  (1-0-0-0) Street Leadworker                  (0-0-4-6) Laborer</p>	<p><b>Electric Utility Services (12-0-0-0)</b>                  (1-0-0-0) Electrical Director                  (1-0-0-0) Inventory/Accounting Clerk                  (1-0-0-0) Electric Foreman                  (1-0-0-0) Lineworker I                  (4-0-0-0) Lineworker III                  (1-0-0-0) Apprentice Lineworker                  (1-0-0-0) Lead Lineworker                  (1-0-0-0) Metering/Substation Lineworker                  (1-0-0-0) Elec Equip/Meter Reader</p> <p><b>Water and Sewer Utility Services (8-0-0-1)</b>                  (1-0-0-0) Utility Superintendent                  (2-0-0-0) Maintenance II                  (4-0-0-0) Maintenance III                  (1-0-0-0) Water/Sewer Foreman                  (0-0-0-1) Laborer</p> <p><b>Parks Recreation and Arts (15-4-1-158)</b>                  Parks, Recreation and Arts Director (1-0-0-0)                  Parks Recreation and Arts (3-0-0-7)                  (1-0-0-0) Athletic Programmer                  (1-0-0-0) Recreation Program Support                  (1-0-0-0) Cable TV Coordinator                  (0-0-0-3) Rink Attendant, Outside                  (0-0-0-2) Camera Operator                  (0-0-0-2) Program Instructors</p> <p><b>Community Center (11-4-1-151)</b>                  (1-0-0-0) Ice Arena Manager                  (1-0-0-0) Maintenance Supervisor                  (3-3-1-16) Custodian/Maintenance                  (1-0-0-0) Arts and Special Events Coordinator                  (1-0-0-0) Facility Coordinator                  (1-0-0-0) Aquatics Coordinator                  (1-0-0-0) Front Desk Supervisor                  (1-0-0-0) Front Desk Coordinator                  (1-0-0-0) Assistant Recreational Programmer                  (0-1-0-14) Cashier                  (0-0-0-11) Rink Attendant/Monitor/Referee                  (0-0-0-60) Lifeguard                  (0-0-0-9) Day Care                  (0-0-0-5) Gym Set-Up                  (0-0-0-36) Program Instructor</p> <p><b>Golf Courses (6-0-4-88)</b>                  Golf Professional (1-0-0-0)                  Assistant Golf Professionals (1-0-1-0)                  Chaska Town Course (3-0-3-57)                  (1-0-0-0) Golf Superintendent                  (2-0-1-0) Greenskeeper                  (0-0-0-44) Course Staff                  (0-0-2-13) Seasonal Labor</p> <p><b>Chaska Par Thirty (1-0-0-11)</b>                  (1-0-0-0) Greenskeeper                  (0-0-0-8) Course Staff                  (0-0-0-3) Seasonal Labor</p>
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**CHASKA VOLUNTEER FIRE DEPARTMENT**

Chaska Volunteer Fire Department  
 44 Active Volunteers

Key to Number of Employees:  
 (Regular Full-Time - Regular Part-Time - Seasonal Full-Time - Seasonal Part-Time)

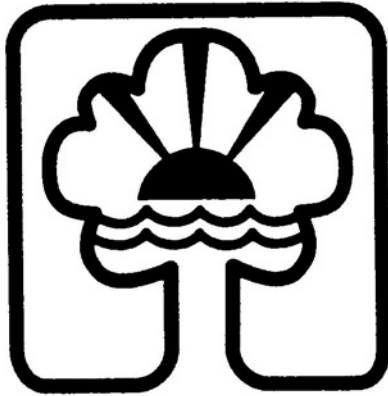
## Elected Officials

<b>MAYOR:</b>	<b>Term of Office</b>	
	<b>From</b>	<b>To</b>
Gary F. Van Eyll, Council Member at Large	01-01-2003	12-31-2004
<b>COUNCIL MEMBERS:</b>		
Randy P. Maluchnik, First Ward	01-01-2003	12-31-2006
Robert J. Lindall, Second Ward	01-01-2001	12-31-2004
Chad R. Dockter, Third Ward	01-01-2003	12-31-2006
Jay W. Rohe, Fourth Ward	01-01-2001	12-31-2004

## Administrative Officials

<b>CITY STAFF:</b>	<b>NAME</b>
City Administrator (City Clerk)	David Pokorney
Administrative Services Director (City Treasurer)	Noel Graczyk
Director of Planning and Development	Kevin Ringwald
City Engineer	William Monk
Chief of Police	Scott Knight
Fire Chief	Bruce Scheuing
Public Works Superintendent	Timothy Wiebe
Director of Parks, Recreation & Arts	Thomas Redman
Electrical Director	Steve Wilker
Utility Superintendent	Dean Hylland
Golf Professional	David Cahill
Executive Director of Chaska Economic Development Authority	David Pokorney
<b>INDEPENDENT CONSULTANT:</b>	
City Attorney	Luke Melchert





CHASKA

INDEPENDENT AUDITOR'S REPORT

City Council and Residents  
City of Chaska, Minnesota

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Chaska, Minnesota (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2005, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

(continued)

The management's discussion and analysis which follows this report letter, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and, accordingly, we express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Malloy, Montague, Karnowski, Radosevich & Co., P. A.*

May 3, 2005

This section of the City of Chaska's annual financial report presents management's discussion and analysis (MD & A) of the City's financial performance during the fiscal year that ended December 31, 2004. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

#### **Government-wide**

- The assets of the City exceeded liabilities by \$54.2 million.
- The City's total net assets increased by \$6.5 million during fiscal 2004. Net assets of governmental activities increased by \$6.2 million while net assets of the business-type activities reported an increase of \$.3 million.

#### **Fund Level**

- The City's governmental funds reported combined ending fund balances of \$24.1 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$3.2 million, or 43% of total general fund expenditures of \$7.5 million.
- During the year, the City's governmental expenditures were \$7.4 million more than revenues before considering other financing sources and uses. The largest expenditure was the principal retirement on outstanding debt.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements – the basic financial statements, which includes the notes to the financial statements and other supplementary schedules that are in addition to the basic financial statements themselves.

#### **The Basic Financial Statements.**

The first two basic financial statements (Statement of Net Assets and Statement of Activities) report on the *City as a whole* (government-wide) and provide both long-term and short-term information about the City's overall financial status. (See detailed discussion below in the *Reporting the City as a Whole* section regarding these statements.) The remaining basic financial statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

These fund financial statements can be divided into three categories: (See detailed discussion below in the *Fund Financial Statements* section regarding these fund types.)

1. Governmental funds.
2. Proprietary funds.
3. Fiduciary funds.

**Notes to the financial statements.**

The notes provide additional narrative and financial information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located immediately following Fiduciary Fund financial statements.

**Other information.**

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. There is supplementary information that contains combining statements that report Nonmajor governmental funds, Nonmajor enterprise funds, and fiduciary funds.

**REPORTING THE CITY AS A WHOLE**

**The Statement of Net Assets and the Statement of Activities**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the City's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net assets – the difference between the City's assets and liabilities – is one way to measure the City's financial health, or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its' financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.
- Governmental activities – Most of the City's basic services are included here, such as the police, fire, public works and parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.
- Business-type activities – The City charges fees to customers to help it cover the costs of certain services it provides. The City's Electric, Water and Sewer Utilities, Chaska Community Center, Chaska Par 30, Chaska Town Course, Turbine Generator Utility and, Internet Service Provider are included here.

**FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the City's most significant funds (major funds) – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

ther funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has three broad categories of fund types:

1. **Governmental funds** – Governmental funds typically are used to account for tax-supported (governmental) activities. Most of the City's basic services are included in governmental funds, which focus on (a) how cash and other financial assets that can readily be converted to cash flow in and out and (b) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page, that explains the relationship (or differences) between them. Governmental funds typically are used to account for tax-supported (governmental) activities. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for funds determined to be major funds. In 2004 the City's major funds are: the General Fund, the General Obligation Tax Increment Capital-Appreciation Bond of 1995 Debt Service Fund, TIF District #4 Revolving Capital Project Fund and the 2003 Improvement Projects Capital Project Fund. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements towards the end of this report.
2. **Proprietary funds** – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. In fact, the City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The proprietary fund financial statements provide separate information for the Electric Utility, Water Utility, Chaska Community Center and Turbine Generator Utility, all of which are considered to be major funds. Individual fund data for each of the Nonmajor proprietary funds is provided in the form of combining statements towards the end of this report. Internal Service Funds are reported in a single column in the proprietary fund financial statements.
3. **Fiduciary funds** – Fiduciary funds account for assets held on behalf of outside parties, including other governments, or other funds within the City. The City's only fiduciary fund type is an agency fund. Agency funds account for assets that the City holds on behalf of others as their agent and are custodial in nature. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the City's government-wide financial statement because the City cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

**Net Assets** The City's combined net assets were \$54.2 million on December 31, 2004.

Table 1  
City of Chaska's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 41,797,297	\$ 41,278,863	\$ 48,230,311	\$ 55,548,005	\$ 90,027,608	\$ 96,826,868
Capital assets	39,097,640	35,000,142	43,889,901	36,704,326	82,987,541	71,704,468
Total assets	80,894,937	76,279,005	92,120,212	92,252,331	173,015,149	168,531,336
Long-term debt outstanding	63,721,059	67,610,514	48,230,531	49,054,970	111,951,590	116,665,484
Other liabilities	4,047,429	1,738,758	2,815,436	2,459,481	6,862,865	4,198,239
Total liabilities	67,768,488	69,349,272	51,045,967	51,514,451	118,814,455	120,863,723
Net assets:						
Invested in capital assets, net of related debt	13,903,940	12,017,122	32,673,294	31,567,896	46,577,234	43,585,018
Restricted	31,330,601	33,696,477	2,535,827	2,535,824	33,866,428	36,232,301
Unrestricted (deficit)	(32,108,092)	(38,783,866)	5,865,124	6,634,160	(26,242,968)	(32,149,706)
Total net assets	\$ 13,126,449	\$ 6,929,733	\$ 41,074,245	\$ 40,737,880	\$ 54,200,694	\$ 47,667,613

**The City as a Whole** –As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Chaska, assets exceeded liabilities by \$54.2 million on December 31, 2004. The City's improved financial condition at year-end is the product of many factors. The increase is primarily due to an increase in capital assets related to capturing infrastructure assets that were completed in 2004, along with contributions from developers of infrastructure assets. Also, the City's long-term debt was reduced by 4.7 million. By far the largest portion of net assets (86%) reflects the City's investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Chaska's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The deficit in unrestricted net assets of \$26.2 million does not mean that the city lacks resources to pay its bills in the near future. This deficit reflects primarily two significant factors. First, the City issues general obligation tax increment bonds and distributes the proceeds to businesses to help finance redevelopment in areas of the City. These entities record the capital assets in their statements of net assets; however, the City is responsible for the repayment of the debt. The tax increment revenue that pays off the bonds is not recorded as revenue until the year that is collected. This practice allows the City to promote improved financial management by reducing bond issuance costs and obtaining more favorable financing arrangements. The second factor relating to the deficit is that the City reports the majority of the non-capital portion of net assets for most of its governmental activities' special revenue, debt service, and capital projects funds as restricted.

**Governmental activities** - 2003 was the first year the City of Chaska had implemented GASB Statement #34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. GASB Statement #34 creates new basic financial statement for reporting on the City's financial activities. In accordance with GASB #34, the City of Chaska has chosen to report infrastructure assets prospectively beginning in the year of implementation (2003). The government-wide financial statements for governmental activities include infrastructure assets that were completed in 2003 and 2004 only. The City will retroactively report (1981–2002) all major general infrastructure assets by December 31, 2007. Because of this prospective reporting, the City has not captured (as the business-type activities have) and reported all of the capital assets that have associated debt with them. Consequently, the liabilities (debt) are greater than the assets (capital), resulting in a low net asset number for governmental activities.

During 2004 the City issued \$2,470,000 in Tax Increment Bonds to refund \$2,720,000 outstanding from the \$4,510,000 GO Tax Increment Bonds issued in 1998. The crossover date of this refunding is 12/1/05; as a result, the liability for both of these bonds is reported on the financial statements as of 12/31/04 along with cash held in escrow until that time.

**Business-Type Activities** - On May 1, 2003 the City issued \$15,150,000 in General Obligation Water Revenue Bonds to finance the City's water system including an expansion of its existing water treatment plant. Consequently, the \$7.2 million increase to capital assets results from a \$7.3 million in additions to Construction in Progress related to the Water Treatment Plant, \$2.0 million in other asset additions less \$2.1 million in depreciation taken on all assets.

The decrease in current and other assets of \$7.3 million is primarily due to a \$6.3 million decrease in Cash and Investments that relates to unspent bond proceeds in 2003 that were spent in 2004 for the Water Treatment Plant discussed in the preceding paragraph.

Net assets of Business-Type Activities increased .3 million.



**Management's Discussion and Analysis**

**City of Chaska, Minnesota**

**For the Year Ended December 31, 2004**

**Changes in net assets** The City's combined change in net assets were \$6.5 million.

**Table 2  
City of Chaska's Changes in Net Assets**

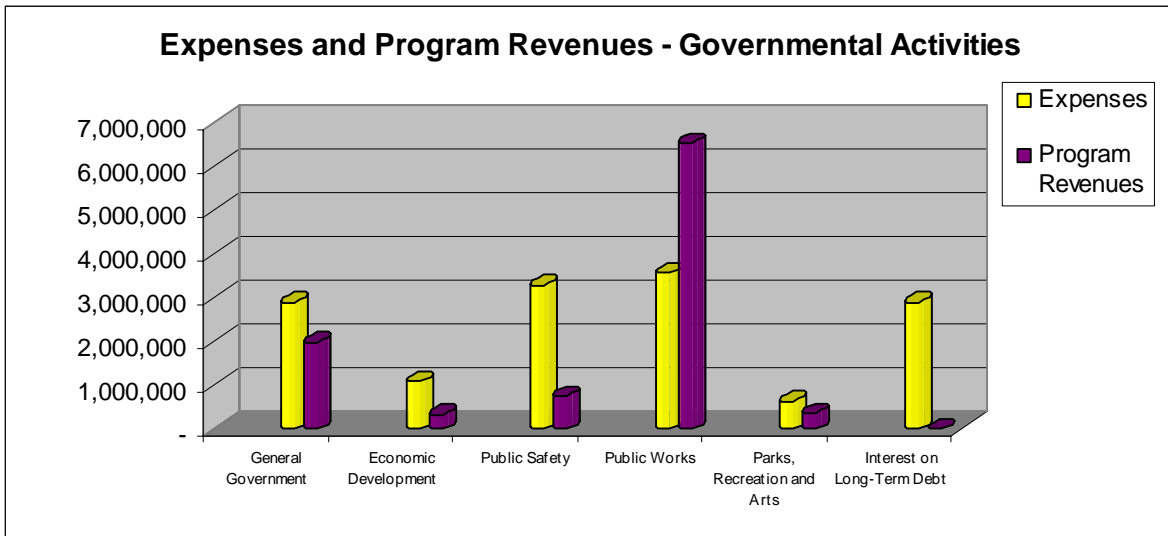
	Governmental		Business-type		Total	
	Activities		Activities			
	2004	2003	2004	2003	2004	2003
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 4,417,899	\$ 5,022,401	\$ 26,616,011	\$ 25,778,708	\$ 31,033,910	\$ 30,801,109
Operating Grants & Contributions	529,455	720,716	-	-	529,455	720,716
Capital Grants & Contributions	4,997,417	10,450,514	206,966	3,193	5,204,383	10,453,707
General revenues:						
Property taxes	6,328,492	5,864,191	-	-	6,328,492	5,864,191
Other taxes	1,821,571	1,723,232	-	-	1,821,571	1,723,232
Grants & Contributions Not Restricted	1,683,763	2,282,549	81	-	1,683,844	2,282,549
Other general revenues	1,071,605	868,297	458,875	870,462	1,530,480	1,738,759
Total revenues	<u>20,850,202</u>	<u>26,931,900</u>	<u>27,281,933</u>	<u>26,652,363</u>	<u>48,132,135</u>	<u>53,584,263</u>
<b>Program expenses</b>						
General Government	2,881,775	2,924,252	-	-	2,881,775	2,924,252
Economic Development	1,084,559	1,696,092	-	-	1,084,559	1,696,092
Public Safety	3,272,888	3,011,603	-	-	3,272,888	3,011,603
Public Works	3,561,242	3,806,878	-	-	3,561,242	3,806,878
Parks Recreation & Arts	626,439	493,107	-	-	626,439	493,107
Interest on long-term debt	2,895,190	2,968,040	-	-	2,895,190	2,968,040
Electric Utility	-	-	17,114,855	16,095,986	17,114,855	16,095,986
Water Utility	-	-	1,046,791	1,052,297	1,046,791	1,052,297
Sewer Utility	-	-	1,630,676	1,640,848	1,630,676	1,640,848
Community Center	-	-	2,776,148	2,662,699	2,776,148	2,662,699
Par 30	-	-	182,840	200,229	182,840	200,229
Chaska Town Course	-	-	1,657,035	1,668,554	1,657,035	1,668,554
Turbine Generator	-	-	2,122,382	2,077,396	2,122,382	2,077,396
Internet Service Provider	-	-	746,234	313,030	746,234	313,030
Total expenses	<u>14,322,093</u>	<u>14,899,972</u>	<u>27,276,961</u>	<u>25,711,039</u>	<u>41,599,054</u>	<u>40,611,011</u>
Excess (deficiency) before transfers	6,528,109	12,031,928	4,972	941,324	6,533,081	12,973,252
Transfers	<u>(331,393)</u>	<u>1,739,947</u>	<u>331,393</u>	<u>(1,739,947)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	6,196,716	13,771,875	336,365	(798,623)	6,533,081	12,973,252
Net Assets, January 1	<u>6,929,733</u>	<u>(6,842,142)</u>	<u>40,737,880</u>	<u>41,536,503</u>	<u>47,667,613</u>	<u>34,694,361</u>
Net Assets, December 31	<u>\$ 13,126,449</u>	<u>\$ 6,929,733</u>	<u>\$ 41,074,245</u>	<u>\$ 40,737,880</u>	<u>\$ 54,200,694</u>	<u>\$ 47,667,613</u>

***The City as a Whole***

- The City as a whole had total revenues of \$48.1 million for the year ended December 31, 2004. Property taxes accounted for 13% of total revenue for the year, compared to 11% in 2003
- The total cost of all programs and services was \$41.6 million. The City's expenses are predominantly related to providing services (police, building inspections, street maintenance, snow removal, etc.) for the citizens of Chaska. The purely administrative activities of the City accounted for just 7% of total costs, which remained the same as last year.

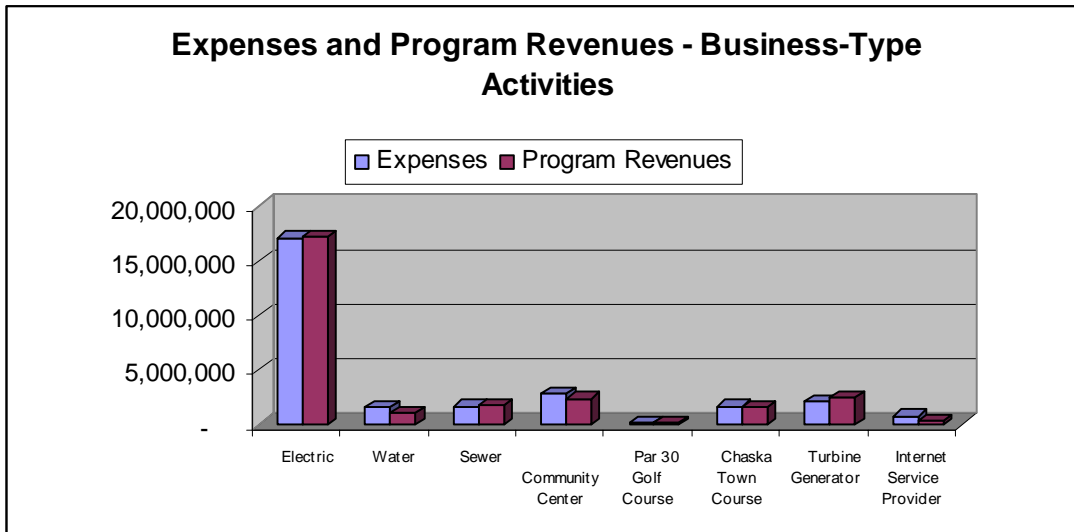
**Governmental Activities**

- The largest source of revenue in governmental activities is tax revenue, which accounts for 30% of all governmental activities revenue.
- Capital Grants and Contributions follows tax revenue as a major source of revenue at 24% of the total governmental activities revenue. The most significant source of revenue in this category is special assessment revenue that is used to build infrastructure in the City.
- The total costs of all programs and services were \$14.3 million. The cost of providing public safety and street maintenance/construction makes up 48% of this total.
- Total revenues surpassed expenses, increasing net assets by \$6.2 million.



**Business-type activities**

- Business-type activities showed an increase of revenues over expenses before special items and transfers of \$4,972. After transfers were made, net assets increased by \$336,365.
- Other general revenues consists primarily of investment earnings of 458,749.
- Charges for services increased 3% over 2003 (\$837,000 increase in revenue).



**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the City of Chaska uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City of Chaska's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City of Chaska's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

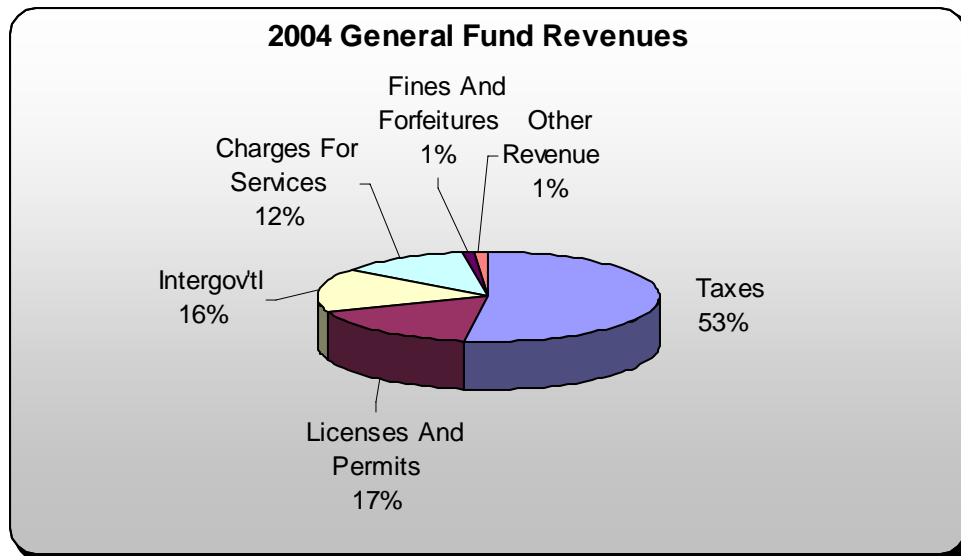
As the City completed the year, its governmental funds reported a combined fund balance of \$24.1 million.

Significant reservations of fund balances are: \$4.7 million for future debt service payments, and \$26.2 million for future construction. See Note 9 for more detail of reserved/unreserved fund balances.

Revenues for the City's governmental funds were \$18.8 million, while total expenses were \$26.2 million. During 2004, the City had 5 bonds issues; one refunding bond to be used for refunding existing lease revenue bonds, one improvement bond, one tax increment refunding bond to be used to advance refund existing tax increment bonds, one tax increment bond and one equipment certificate bond. These issues are included in other financing sources and uses. The City completed the year with a decrease in governmental fund balances of \$3.0 million

The **General Fund** is the chief operating fund of the City of Chaska. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3.2 million. The fund balance of the City of Chaska's general fund increased by \$264,810. Key factors in the growth are:

- The most significant source of General Fund revenue is tax revenue. For 2004, tax revenue was \$3.9 million, \$27,919 more than the original and final budgeted amount.
- License and Permit revenue was \$1.3 million which was a \$217,000 positive variance over budget. Residential building permit activity remained high with 235 new single-family homes constructed in 2004.
- The General Fund receives a transfer from the Turbine Fund of \$105,000 as part of continued financial support for governmental activities.



The **General Obligation Tax Increment Capital Appreciation Bond of 1995** had a large debt service principal payment in 2004 of \$3,995,000. This debt service fund was crossover refunded in 2003 in order to achieve a debt service savings of \$254,550. The crossover date of the refunding was December 1, 2004.

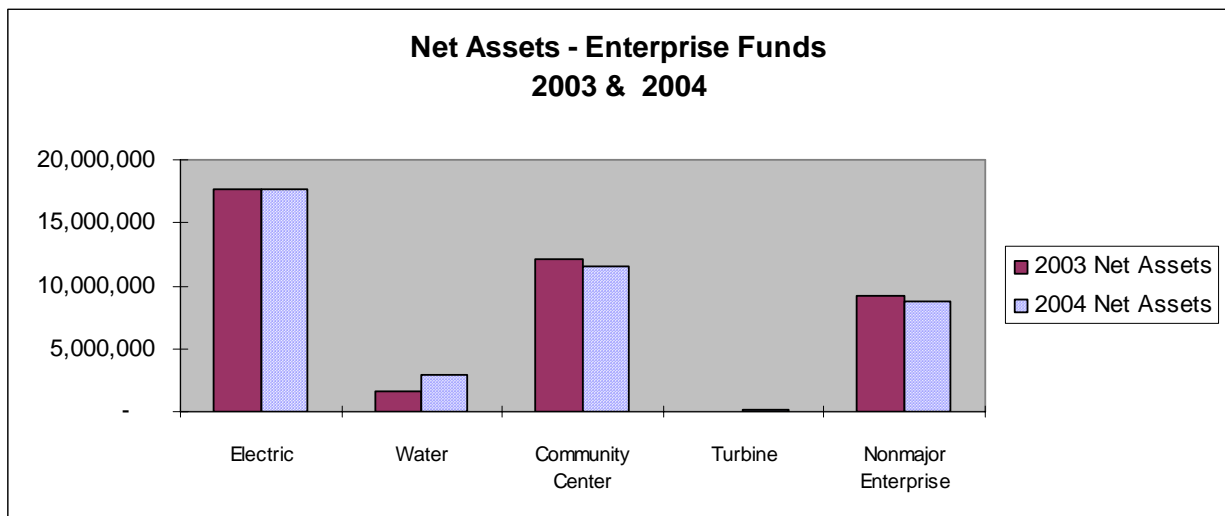
The **TIF District #4 Revolving** fund is the primary fund for collection of all tax increment revenue for all of District #4 projects, thereby producing a large revenue stream (\$3.7 million in tax increment revenue) for one particular fund. TIF District #4 Revolving Fund makes transfers out to other District #4 funds to cover project and debt service costs, therefore causing the deficit in this fund. An analysis of other revenue sources along with future tax increment revenues will reduce or eliminate this deficit in future years.

The **2003 Improvement Project** fund is the capital project fund that accounts for revenues and expenditures for various construction projects started in 2003. The majority of the expenditures (68%) in this fund for 2004 were capital costs associated with the Bavaria and 1<sup>st</sup> Street Road Reconstruction. Bond proceeds (to be used for capital construction) represent 77% of the total of revenues and other financing sources.

**Proprietary Funds.** The statements for proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The combined change increased net assets of enterprise funds by \$287,275. Some of the reasons for this change in net assets are:

- As part of the budgeting process, when calculating what the fees will be for charge for service, depreciation expense is not considered. As a direct result of this process, the Chaska Community Center reports Operating Revenue of \$2.2 million and Operating Expense (without Depreciation) of \$2.1 million; resulting in operating income before depreciation of \$71,000. When factoring in depreciation expense (\$662,000), an operating loss results of (\$591,000).
- The Electric and Water Funds each had operating income of \$51,000. Much of this increase is attributable to Chaska's increasing utility customer base.
- The Water Fund had \$97,000 in investment earnings, the majority of which represents earnings on bond proceeds that were placed in a guaranteed investment contract.
- The Turbine Generator had an increase in net assets of \$68,225.
- The Turbine Generator fund has restricted net assets of \$2.5 million, which represents a restriction for debt service.



**General Fund Budgetary Highlights**

The final amended budget for the General Fund includes the original adopted budget plus any additional supplemental appropriations that were legislated by the City Council during the year. In 2004, the original and final amended budget were the same – both had no change in fund balance.

While the City's final amended budget for the general fund anticipated that expenditures would equal revenues, the City's general fund actually had an excess of revenues over expenditures of \$264,810.

- Total revenues were \$334,034 more than expected. Of this total 65% relates to a positive variance in permit revenue.

- The actual expenditures were \$74,233 more than final budget due largely to an increase in personnel costs in Public Safety.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As shown in Table 3, at the end of 2004, the City had \$83.0 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities and electric and water and sewer lines. More detailed information on the City of Chaska's capital assets can be found in **Note 5** of the basic financial statements.

**Table 3  
Capital Assets at Year-End  
Net of Depreciation**

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 5,566,566	\$ 4,011,024	\$ 364,805	\$ 364,805	\$ 5,931,371	\$ 4,375,829
Works of Art/Historical Treasures	82,662	25,425	-	-	82,662	25,425
Buildings	7,021,018	6,970,294	19,211,771	20,505,098	26,232,789	27,475,392
Other Improvements	3,324,140	3,340,033	312,206	154,843	3,636,346	3,494,876
Furniture & Equipment	2,626,889	2,719,184	2,270,467	1,555,399	4,897,356	4,274,583
Infrastructure	12,541,152	6,462,434	8,025,933	7,994,742	20,567,085	14,457,176
Construction in Progress	7,935,213	11,471,748	13,704,719	6,129,439	21,639,932	17,601,187
<b>Totals</b>	<b>\$ 39,097,640</b>	<b>\$ 35,000,142</b>	<b>\$ 43,889,901</b>	<b>\$ 36,704,326</b>	<b>\$ 82,987,541</b>	<b>\$ 71,704,468</b>

Major capital asset events during the current fiscal year included the following:

- |             |   |
|-------------|---|
| \$1,695,000 | • Victoria Road Reconstruction paid for with proceeds of General Obligation bonds issued in 2001          |
| 7,263,000   | • Construction on the Water Treatment Plant   |
| 2,288,000   | • Bavaria Road Reconstruction paid for with proceeds of General Obligation bonds issued in 2004           |
| 1,420,000   | • 1 <sup>st</sup> Street Reconstruction paid for with proceeds of General Obligation bonds issued in 2004 |
| 559,000     | • Costs related to additional infrastructure in the Electric Utility Fund                                 |
| 915,700     | • Streets, water mains and hydrants constructed and contributed by developers                             |

**Long-Term Debt**

At year-end, the City had \$111.2 million in bonds and notes outstanding, as shown in Table 4. More detailed information about the City's long-term liabilities is presented in **Note 7** to the financial statements.

**Table 4**  
**City of Chaska's Outstanding Debt**  
 (Does Not Include Premiums or Compensated Absences)

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
<b>General Obligation Bonds</b> (Backed by the City)	\$ 1,205,000	\$ 760,000	\$ 14,985,000	\$ 15,265,000	\$ 16,190,000	\$ 16,025,000
<b>General Obligation TI Bonds</b> (Backed by the City)	36,030,000	44,762,133	-	-	36,030,000	44,762,133
<b>General Obligation Imp. Bonds</b> (Backed by the City)	16,215,000	8,275,000	-	-	16,215,000	8,275,000
<b>Revenue bonds and notes</b> (Backed by specific tax and fee revenues)	9,745,000	13,270,000	32,990,000	33,545,000	42,735,000	46,815,000
<b>Totals</b>	<b>\$ 63,195,000</b>	<b>\$ 67,067,133</b>	<b>\$ 47,975,000</b>	<b>\$ 48,810,000</b>	<b>\$ 111,170,000</b>	<b>\$ 115,877,133</b>

New debt resulted from issuing \$6.65 million in GO Improvement Bonds for the reconstruction of Bavaria Road and 1<sup>st</sup> Street. In addition, to improve cash flow and to take advantage of lower interest rates, the City's management issued \$2.78 million of General Obligation Capital Improvement Plan Refunding Bonds. The purpose of the refunding is to refund the remaining outstanding maturities of the City Economic Development Authority's \$4,175,000 Public Facilities Lease Revenue Bonds. In 2004 the City also issued \$2.47 million in GO Tax Increment Refunding Bonds. This refunding was undertaken to allow the City to take advantage of lower interest rates and to restructure its annual debt service requirements. \$890,000 of Taxable GO Tax Increment Bonds were issued with the proceeds being used to finance public improvements to Block 53 in the City's Tax Increment District #14. During 2004, \$815,000 of General Obligation Equipment Certificates were issued to be used to finance the acquisition of various items of capital equipment for City departments.

The City of Chaska's general obligation bonds carry a rating, as of last review, of an A by Standard and Poor's Corporation and a Baa rating by Moody's Investors Services. The City's Electric revenue bonds were rated an A by Standard and Poor's and A3 by Moody's.

Under Minnesota State Statutes, the general obligation bonded debt issued by the City is subject to a legal debt limitation based on 2% of market value. At December 31, 2004, the City's legal debt limit was \$30,804,992. The statutes provide that debt issues supported by tax increment, special assessment revenues or available dedicated reserves are excluded from the total limited debt.

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected and appointed officials considered many factors when setting the fiscal year 2005 budget. One of the key factors that impact both the costs of providing services and the City's revenue resources is a change in Chaska's population and households. As the number of households in the community increases, there are increased demands for street maintenance, snow plowing, park usage, recreation, police calls, utility bills, etc. Population and household levels also impact expected revenues from utilities, local government aid, and property tax levies. A significant evolving trend is the increased rate of residential development in the City. Through the past decade, Chaska's residential development has remained relatively stable with an average of 200 new living units per year. Chaska's population has increased from 11,339 in 1990 to 20,260 in 2003. Over the past two years, in excess of 2200 new living units have been approved within new residential subdivisions. In addition, the type of development has shifted from detached single-family homes as the primary new living unit design to townhouses or nontraditional smaller detached single-family homes. Based on these trends, we are now estimating that 400 new living units will be added annually to Chaska's housing stock through the coming five-year period. Population is forecast to increase to 27,100 by 2009.

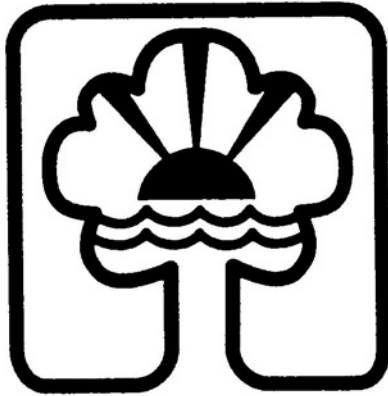
These indicators were taken into account when adopting the General Fund budget for 2005. Projected revenues and other financing sources available for appropriation in the General Fund budget are \$7,728,990, an increase of 4.78% over the final 2004 budget of \$7,376,612. Property taxes, licenses and permits and franchise fees are expected to lead this increase. The City will use these increases in revenues to finance programs we currently offer and the effect that we expect inflation to have on program costs. Budgeted expenditures are expected to rise nearly 4.78% to \$7,728,990, an increase of \$352,378 over the final 2004 budget. General assumptions that were used to calculate general fund expenditures were:

- On average, personnel costs would increase at an overall rate of 2.5% annually.
- Operating costs would increase at a rate of 2%, which is slightly less than the rate of inflation.
- The City would maintain its current levels of service and implement additional personnel and programs as outlined in the five-year plan.
- The City would fully fund its equipment replacement schedule.
- Debt service costs for new facilities, particularly those for the fire station and an addition to the municipal services building will be funded from sources other than general property tax levies.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Chaska's Administrative Services Department.





CHASKA

**Government-Wide Financial Statements**

**City of Chaska**

**December 31, 2004**

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## CITY OF CHASKA, MINNESOTA

STATEMENT OF NET ASSETS  
DECEMBER 31, 2004

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash And Investments	\$ 22,877,460	\$ 12,252,239	\$ 35,129,699
Receivables:			
Taxes	455,575	-	455,575
Special Assessments	8,390,009	-	8,390,009
Accounts	114,346	2,544,427	2,658,773
Interest	36,373	61,262	97,635
Other Receivables	1,437,685	-	1,437,685
Internal Balances	(1,269,156)	1,269,156	-
Due From Other Governments	3,074,329	56,063	3,130,392
Lease Receivable - Current	-	290,738	290,738
Inventories	-	945,230	945,230
Prepaid Items	-	3,125	3,125
Long Term Lease Receivable	-	27,300,386	27,300,386
Restricted Cash & Investments:			
Cash with Escrow Agent - Debt Service	3,200,237	2,535,827	5,736,064
Deferred Charges	264,036	971,858	1,235,894
Land Held For Resale	3,216,403	-	3,216,403
Capital Assets (net of accumulated depreciation):			
Land	5,566,566	364,805	5,931,371
Works of Art & Historical Treasures	82,662	-	82,662
Buildings	7,021,018	19,211,771	26,232,789
Other Improvements	3,324,140	312,206	3,636,346
Furniture & Equipment	2,626,889	2,270,467	4,897,356
Infrastructure	12,541,152	8,025,933	20,567,085
Construction in Progress	7,935,213	13,704,719	21,639,932
<b>TOTAL ASSETS</b>	<b>80,894,937</b>	<b>92,120,212</b>	<b>173,015,149</b>
<b>LIABILITIES</b>			
Accounts Payable	580,334	823,882	1,404,216
Salaries Payable	194,412	114,126	308,538
Deposits Payable	-	134,475	134,475
Accrued Interest Payable	215,512	534,870	750,382
Due To Other Governments	13,392	1,136,783	1,150,175
Unearned Revenue	3,043,779	71,300	3,115,079
Non-current Liabilities:			
Due Within One Year	10,709,997	1,115,502	11,825,499
Due in More than One Year	53,011,062	47,115,029	100,126,091
<b>TOTAL LIABILITIES</b>	<b>67,768,488</b>	<b>51,045,967</b>	<b>118,814,455</b>
<b>NET ASSETS</b>			
Invested In Capital Assets, Net of Related Debt	13,903,940	32,673,294	46,577,234
Restricted for:			
Other Purposes	2,644,233	-	2,644,233
Debt Service	10,472,313	2,535,827	13,008,140
Capital Projects	18,214,055	-	18,214,055
Unrestricted	(32,108,092)	5,865,124	(26,242,968)
<b>TOTAL NET ASSETS</b>	<b>\$ 13,126,449</b>	<b>\$ 41,074,245</b>	<b>\$ 54,200,694</b>

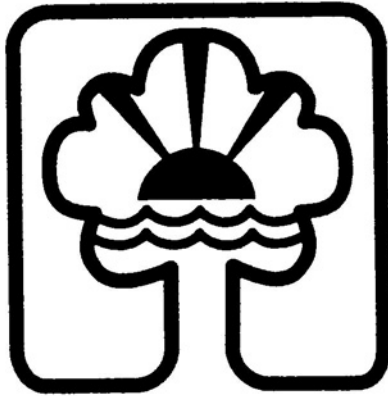
The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Governmental Activities:</b>							
General Government	\$ 2,881,775	\$ 1,944,887	\$ 13,105	\$ 31,952	\$ (891,831)	\$ -	\$ (891,831)
Economic Development	1,084,559	127,980	85,021	111,439	(760,119)	-	(760,119)
Public Safety	3,272,888	143,520	385,213	220,195	(2,523,960)	-	(2,523,960)
Public Works	3,561,242	1,967,705	-	4,559,699	2,966,162	-	2,966,162
Parks, Recreation and Arts	626,439	233,807	46,116	74,132	(272,384)	-	(272,384)
Interest on Long-Term Debt	2,895,190	-	-	-	(2,895,190)	-	(2,895,190)
<b>Total Governmental Activities</b>	<b>14,322,093</b>	<b>4,417,899</b>	<b>529,455</b>	<b>4,997,417</b>	<b>(4,377,322)</b>	<b>-</b>	<b>(4,377,322)</b>
<b>Business-type Activities:</b>							
Electric	17,114,855	17,099,701	-	147,967	-	132,813	132,813
Water	1,046,791	990,037	-	3,281	-	(53,473)	(53,473)
Sewer	1,630,676	1,727,417	-	385	-	97,126	97,126
Community Center	2,776,148	2,306,714	-	55,333	-	(414,101)	(414,101)
Par 30 Golf Course	182,840	181,264	-	-	-	(1,576)	(1,576)
Chaska Town Course	1,657,035	1,554,394	-	-	-	(102,641)	(102,641)
Turbine Generator	2,122,382	2,456,924	-	-	-	334,542	334,542
Internet Service Provider	746,234	299,560	-	-	-	(446,674)	(446,674)
<b>Total Business-type Activities</b>	<b>27,276,961</b>	<b>26,616,011</b>	<b>-</b>	<b>206,966</b>	<b>-</b>	<b>(453,984)</b>	<b>(453,984)</b>
<b>TOTAL</b>	<b>\$ 41,599,054</b>	<b>\$ 31,033,910</b>	<b>\$ 529,455</b>	<b>\$ 5,204,383</b>	<b>(4,377,322)</b>	<b>(453,984)</b>	<b>(4,831,306)</b>
<b>General Revenues:</b>							
Property Taxes					6,328,492	-	6,328,492
Franchise Taxes					1,821,571	-	1,821,571
Grants & Contributions Not Restricted to Specific Functions					1,683,763	81	1,683,844
Investment Earnings					673,170	458,749	1,131,919
Gain on Disposal of Capital Assets					30,584	-	30,584
Other					367,851	126	367,977
Transfers					(331,393)	331,393	-
<b>Total General Revenues &amp; Transfers</b>					<b>10,574,038</b>	<b>790,349</b>	<b>11,364,387</b>
<b>Change in Net Assets</b>					<b>6,196,716</b>	<b>336,365</b>	<b>6,533,081</b>
<b>Net Assets - Beginning</b>					<b>6,929,733</b>	<b>40,737,880</b>	<b>47,667,613</b>
<b>Net Assets - Ending</b>					<b>\$ 13,126,449</b>	<b>\$ 41,074,245</b>	<b>\$ 54,200,694</b>

The notes to the financial statements are an integral part of this statement.



CHASKA



CITY OF CHASKA, MINNESOTA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	GENERAL	GO TI CAPITAL APPRECIATION BOND OF 1995	TIF DISTRICT #4 REVOLVING	2003 IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>						
Cash And Investments	\$ 3,068,450	\$ -	\$ -	\$ 4,725,823	\$ 12,162,350	\$ 19,956,623
Investment With Escrow Agent	-	-	-	-	3,200,237	3,200,237
Receivables:						
Taxes	220,902	-	191,191	-	43,482	455,575
Special Assessments	5,576	-	386,383	-	7,998,050	8,390,009
Accounts	74,224	-	11,180	-	28,942	114,346
Interest	3,712	-	-	-	28,203	31,915
Other Receivables	85,417	-	685,402	-	666,866	1,437,685
Due from Other Funds	-	-	-	-	14,932,911	14,932,911
Due From Other Governments	160,130	-	1,440,000	-	1,474,199	3,074,329
Interfund Receivable	-	-	-	-	378,710	378,710
Advance to Other Funds	-	-	-	-	1,624,578	1,624,578
Land Held for Resale	-	-	-	-	3,216,403	3,216,403
<b>TOTAL ASSETS</b>	<b>\$ 3,618,411</b>	<b>\$ -</b>	<b>\$ 2,714,156</b>	<b>\$ 4,725,823</b>	<b>\$ 45,754,931</b>	<b>\$ 56,813,321</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts Payable	\$ 81,296	\$ -	\$ 1,713	\$ 244,862	\$ 252,463	\$ 580,334
Salaries Payable	194,412	-	-	-	-	194,412
Due To Other Funds	-	-	12,116,461	-	2,816,450	14,932,911
Due To Other Governments	13,392	-	-	-	-	13,392
Interfund Payable	-	-	153,657	-	1,961,257	2,114,914
Deferred and Unearned Revenue	115,600	-	2,602,346	-	11,145,849	13,863,795
Advance from Other Funds	-	-	349,758	-	708,820	1,058,578
<b>TOTAL LIABILITIES</b>	<b>404,700</b>	<b>-</b>	<b>15,223,935</b>	<b>244,862</b>	<b>16,884,839</b>	<b>32,758,336</b>
<b>FUND BALANCES:</b>						
Reserved	-	-	-	2,732,589	31,637,970	34,370,559
Unreserved, designated	3,082,986	-	-	-	1,606,343	4,689,329
Unreserved, undesignated reported in:						
General Fund	130,725	-	-	-	-	130,725
Special Revenue Funds	-	-	-	-	87,829	87,829
Capital Project Funds	-	-	(12,509,779)	1,748,372	(4,462,050)	(15,223,457)
<b>TOTAL FUND BALANCES</b>	<b>3,213,711</b>	<b>-</b>	<b>(12,509,779)</b>	<b>4,480,961</b>	<b>28,870,092</b>	<b>24,054,985</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,618,411</b>	<b>\$ -</b>	<b>\$ 2,714,156</b>	<b>\$ 4,725,823</b>	<b>\$ 45,754,931</b>	<b>\$ 56,813,321</b>

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
 DECEMBER 31, 2004

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Total fund balances - governmental funds \$ 24,054,985

Amounts reported for governmental activities in the statement of net assets are different because:

Issuance costs are recorded as expenditures in the current period in the governmental funds.  
 Under full accrual, the expenditures are recorded as deferred charges and amortized over the life of the debt. 264,036

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.

Cost of Capital Assets	50,099,924
Less: Accumulated Depreciation	(11,002,284)

Due to availability, certain revenues are not recognized under the governmental fund statements until received; however, under full accrual in the government-wide Statement of Activities, revenues are recorded when earned regardless of when received. 10,820,016

Internal service funds are used by management to charge the costs of property & liability insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 2,925,295

Internal balances from business-type activities for internal service fund services. (98,952)

Interest on long-term debt is included in the change in net assets as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due. (215,512)

Long-term liabilities, including bonds payable and compensated absences, are not payable with current financial resources and, therefore, are not reported in governmental funds.

Due within one year	(10,709,997)
Due in more than one year	(53,011,062)

Net assets of governmental activities \$ 13,126,449

The notes to the financial statements are an integral part of this statement.



CITY OF CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	GENERAL	GO TI CAPITAL APPRECIATION BOND OF 1995	TIF DISTRICT #4 REVOLVING	2003 IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>						
Taxes:						
Property	\$ 2,125,630	\$ -	\$ 3,684,075	\$ -	\$ 499,562	\$ 6,309,267
Franchise	1,821,571	-	-	-	-	1,821,571
Licenses and Permits	1,289,746	-	-	-	-	1,289,746
Intergovernmental	1,195,371	-	-	420,294	1,270,646	2,886,311
Charges for Services	931,640	-	-	-	2,046,694	2,978,334
Fines and Forfeitures	73,684	-	-	-	-	73,684
Special Assessments	3,996	102,911	40,886	-	1,804,198	1,951,991
Other Revenue	104,508	-	341,335	35,041	1,024,096	1,504,980
<b>TOTAL REVENUES</b>	<b>7,546,146</b>	<b>102,911</b>	<b>4,066,296</b>	<b>455,335</b>	<b>6,645,196</b>	<b>18,815,884</b>
<b>EXPENDITURES</b>						
<b>CURRENT:</b>						
General Government	2,486,406	-	-	-	48,097	2,534,503
Economic Development	-	-	494,755	-	394,451	889,206
Public Safety	2,833,184	-	-	-	113,385	2,946,569
Public Works	1,782,834	-	-	1,156,931	633,940	3,573,705
Parks, Recreation and Arts	341,011	-	-	-	47,716	388,727
<b>DEBT SERVICE:</b>						
Principal	-	3,995,000	-	-	4,655,000	8,650,000
Interest	-	-	126,225	-	2,762,797	2,889,022
Refunding Contribution	-	-	-	-	386,900	386,900
Issuance Costs & Fiscal Agent Fees	-	-	-	87,146	158,420	245,566
<b>CAPITAL OUTLAY</b>	<b>7,410</b>	<b>-</b>	<b>-</b>	<b>2,666,093</b>	<b>1,043,116</b>	<b>3,716,619</b>
<b>TOTAL EXPENDITURES</b>	<b>7,450,845</b>	<b>3,995,000</b>	<b>620,980</b>	<b>3,910,170</b>	<b>10,243,822</b>	<b>26,220,817</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>95,301</b>	<b>(3,892,089)</b>	<b>3,445,316</b>	<b>(3,454,835)</b>	<b>(3,598,626)</b>	<b>(7,404,933)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	165,900	3,740,345	-	1,498,399	4,013,748	9,418,392
Transfers Out	(301)	-	(5,623,450)	-	(4,133,676)	(9,757,427)
Bonds Issued	-	-	-	6,613,912	1,741,088	8,355,000
Refunding Bonds Issued	-	-	-	-	5,250,000	5,250,000
Premium on Bonds Issued	-	-	-	12,814	15,783	28,597
Payment to Refunded Bond Escrow Agent	-	-	-	-	(8,970,252)	(8,970,252)
Sale of Capital Assets	3,910	-	-	-	53,759	57,669
<b>TOTAL OTHER FINANCING SOURCES AND USES</b>	<b>169,509</b>	<b>3,740,345</b>	<b>(5,623,450)</b>	<b>8,125,125</b>	<b>(2,029,550)</b>	<b>4,381,979</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>264,810</b>	<b>(151,744)</b>	<b>(2,178,134)</b>	<b>4,670,290</b>	<b>(5,628,176)</b>	<b>(3,022,954)</b>
<b>FUND BALANCES, January 1</b>	<b>2,948,901</b>	<b>151,744</b>	<b>(10,331,645)</b>	<b>(189,329)</b>	<b>34,498,268</b>	<b>27,077,939</b>
<b>FUND BALANCES, December 31</b>	<b>\$ 3,213,711</b>	<b>\$ -</b>	<b>\$ (12,509,779)</b>	<b>\$ 4,480,961</b>	<b>\$ 28,870,092</b>	<b>\$ 24,054,985</b>

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004

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Total net change in fund balances - governmental funds	\$ (3,022,954)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Issuance costs are recorded as expenditures in the current period in the governmental funds. Under full accrual, the expenditures are recorded as deferred charges and amortized over the life of the debt.	
	204,075
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Further detail on increases/decreases can be found in the note on capital assets. (Increases include donations of capital assets and Construction in Progress that is reclassified.)	
Capital Outlay	4,613,011
Less: Depreciation Expense	(1,486,672)
Donations of capital assets typically are not reported in the governmental funds. Such donations must be reported, however, in both of the government-wide financial statements. This amount represents revenue from developer donated capital assets.	
	994,084
In the governmental funds, proceeds from the sale of capital assets are recorded as revenue in the current year. However, on the government-wide reports, the gain or loss on the sale is reflected as a revenue or expense.	
	(27,085)
Certain revenues are recognized as soon as it is earned. Under modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
	907,844
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Further detail on the additions and reductions can be found in the note on long-term debt.	
Additions to long-term debt (reduces governmental fund balances)	(14,482,784)
Reductions to long-term debt (increases governmental fund balances)	18,372,239
Transfers of Capital Assets between Enterprise Funds and Governmental Funds are not reported in governmental funds.	
	4,160
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	(6,167)
Internal service funds are used by management to charge the costs of property & liability insurance to individual funds. This amount represents the change in net assets of internal service funds, which is reported with governmental activities.	
	<u>126,965</u>
Change in net assets - governmental activities	<u>\$ 6,196,716</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF CHASKA, MINNESOTA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES:</b>			
Taxes:			
Property	\$ 2,113,282	\$ 2,125,630	\$ 12,348
Franchise	1,806,000	1,821,571	15,571
Licenses And Permits	1,073,108	1,289,746	216,638
Intergovernmental	1,142,990	1,195,371	52,381
Charges For Services	943,119	931,640	(11,479)
Fines And Forfeitures	54,213	73,684	19,471
Special Assessments	2,500	3,996	1,496
Other Revenue	76,900	104,508	27,608
<b>TOTAL REVENUES</b>	<u>7,212,112</u>	<u>7,546,146</u>	<u>334,034</u>
<b>EXPENDITURES:</b>			
Current:			
General Government	2,430,906	2,486,406	(55,500)
Public Safety	2,691,506	2,833,184	(141,678)
Public Works	1,903,985	1,782,834	121,151
Parks, Recreation and Arts	337,758	341,011	(3,253)
Capital Outlay	12,457	7,410	5,047
<b>TOTAL EXPENDITURES</b>	<u>7,376,612</u>	<u>7,450,845</u>	<u>(74,233)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(164,500)</u>	<u>95,301</u>	<u>259,801</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	164,500	165,900	1,400
Transfers Out	-	(301)	(301)
Sale Of Capital Assets	-	3,910	3,910
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>164,500</u>	<u>169,509</u>	<u>5,009</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	264,810	264,810
<b>FUND BALANCES, January 1</b>	<u>2,948,901</u>	<u>2,948,901</u>	-
<b>FUND BALANCES, December 31</b>	<u>\$ 2,948,901</u>	<u>\$ 3,213,711</u>	<u>\$ 264,810</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF CHASKA, MINNESOTA**

**STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2004**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>		
	<b>ELECTRIC</b>	<b>WATER</b>	<b>COMMUNITY CENTER</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash And Investments	\$ 4,916,048	\$ 2,895,256	\$ 1,030,256
Receivables:			
Accounts:			
Current	1,334,357	52,074	121,808
Unbilled	750,932	35,583	-
Allowance For Uncollectible Accounts	(12,254)	(491)	(149)
Interest	8,934	5,247	-
Due From Other Funds	16,279	-	-
Due From Other Governments	6,224	-	49,839
Interfund Receivable	1,904,204	-	-
Lease Receivable	-	-	-
Inventories	817,249	67,134	-
Prepaid Items	-	-	-
<b>Total Current Assets</b>	<b>9,741,973</b>	<b>3,054,803</b>	<b>1,201,754</b>
<b>Noncurrent Assets:</b>			
Restricted Cash And Investments with Escrow Agent	-	-	-
Lease Receivable	-	-	-
Advance To Other Funds	868,086	-	-
Deferred Charges	-	264,424	-
<b>Capital Assets:</b>			
Land	240,721	33,618	90,466
Buildings	5,079,031	1,724,525	16,194,594
Other Improvements	-	-	179,656
Furniture & Equipment	1,130,023	287,225	667,849
Infrastructure:			
Lines, Poles, Transformers and Others	11,122,740	-	-
Pumps, Mains and Others	-	2,947,637	-
Construction In Progress	-	13,393,427	162,549
Less: Accumulated Depreciation	(7,828,602)	(3,352,274)	(6,649,044)
<b>Total Net Capital Assets</b>	<b>9,743,913</b>	<b>15,034,158</b>	<b>10,646,070</b>
<b>Total Noncurrent Assets</b>	<b>10,611,999</b>	<b>15,298,582</b>	<b>10,646,070</b>
<b>TOTAL ASSETS</b>	<b>20,353,972</b>	<b>18,353,385</b>	<b>11,847,824</b>

			GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
<u>TURBINE GENERATOR</u>	<u>NONMAJOR ENTERPRISE</u>	<u>TOTALS</u>	
\$ 1,388,923	\$ 2,021,756	\$ 12,252,239	\$ 2,920,837
-	183,692	1,691,931	-
-	80,655	867,170	-
-	(1,780)	(14,674)	-
44,741	2,340	61,262	4,458
-	-	16,279	-
-	-	56,063	-
22,685	-	1,926,889	-
290,738	-	290,738	-
-	60,847	945,230	-
-	3,125	3,125	-
<u>1,747,087</u>	<u>2,350,635</u>	<u>18,096,252</u>	<u>2,925,295</u>
2,535,827	-	2,535,827	-
27,300,386	-	27,300,386	-
1,327,214	-	2,195,300	-
707,434	-	971,858	-
-	-	364,805	-
-	8,265,839	31,263,989	-
-	203,931	383,587	-
-	2,364,168	4,449,265	-
-	-	11,122,740	-
-	2,429,069	5,376,706	-
-	148,743	13,704,719	-
-	(4,945,990)	(22,775,910)	-
<u>-</u>	<u>8,465,760</u>	<u>43,889,901</u>	<u>-</u>
<u>31,870,861</u>	<u>8,465,760</u>	<u>76,893,272</u>	<u>-</u>
<u>33,617,948</u>	<u>10,816,395</u>	<u>94,989,524</u>	<u>2,925,295</u>

(Continued)

**CITY OF CHASKA, MINNESOTA**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2004**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>		
	<b>ELECTRIC</b>	<b>WATER</b>	<b>COMMUNITY CENTER</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	47,166	113,710	175,737
Contracts Payable	-	282,501	-
Salaries Payable	36,510	11,377	38,000
Deposits Payable	84,035	-	10,853
Compensated Absences	69,277	10,385	30,339
Accrued Interest Payable	-	47,300	-
Due To Other Funds	-	-	-
Due To Other Governments	1,119,014	993	13,794
Interfund Payable	22,685	-	-
Revenue Bonds Payable	-	390,000	-
Unearned Revenue	-	-	20,978
<b>Total Current Liabilities</b>	<b>1,378,687</b>	<b>856,266</b>	<b>289,701</b>
<b>Noncurrent Liabilities:</b>			
Compensated Absences	15,448	3,409	19,329
Advance From Other Funds	1,327,214	-	-
Revenue Bonds Payable	-	14,595,000	-
Unamortized Premium On Revenue Bonds	-	49,626	-
<b>Total Noncurrent Liabilities</b>	<b>1,342,662</b>	<b>14,648,035</b>	<b>19,329</b>
<b>TOTAL LIABILITIES</b>	<b>2,721,349</b>	<b>15,504,301</b>	<b>309,030</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	9,743,913	3,817,551	10,646,070
Restricted	-	-	-
Unrestricted	7,888,710	(968,467)	892,724
<b>TOTAL NET ASSETS</b>	<b>\$ 17,632,623</b>	<b>\$ 2,849,084</b>	<b>\$ 11,538,794</b>

The notes to the financial statements are an integral part of this statement.

(Continued)

<u>TURBINE GENERATOR</u>	<u>NONMAJOR ENTERPRISE</u>	<u>TOTALS</u>	<u>GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND</u>
-	204,768	541,381	-
-	-	282,501	-
-	28,239	114,126	-
-	39,587	134,475	-
-	30,501	140,502	-
487,570	-	534,870	-
-	16,279	16,279	-
-	2,982	1,136,783	-
-	168,000	190,685	-
585,000	-	975,000	-
-	50,322	71,300	-
<u>1,072,570</u>	<u>540,678</u>	<u>4,137,902</u>	<u>-</u>
-	27,217	65,403	-
-	1,434,086	2,761,300	-
32,405,000	-	47,000,000	-
-	-	49,626	-
<u>32,405,000</u>	<u>1,461,303</u>	<u>49,876,329</u>	<u>-</u>
<u>33,477,570</u>	<u>2,001,981</u>	<u>54,014,231</u>	<u>-</u>
-	8,465,760	32,673,294	-
2,535,827	-	2,535,827	-
<u>(2,395,449)</u>	<u>348,654</u>	<u>5,766,172</u>	<u>2,925,295</u>
<u>\$ 140,378</u>	<u>\$ 8,814,414</u>	<u>\$ 40,975,293</u>	<u>\$ 2,925,295</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		<u>98,952</u>	
Net assets of business-type activities		<u>\$ 41,074,245</u>	



**CITY OF CHASKA, MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>		
	<b>ELECTRIC</b>	<b>WATER</b>	<b>COMMUNITY CENTER</b>
<b>OPERATING REVENUES:</b>			
Sales	\$ 17,099,701	\$ 990,037	\$ 2,198,604
<b>OPERATING EXPENSES:</b>			
Production	13,008,714	160,725	-
Distribution / Collections	1,123,648	388,690	-
Administration	610,037	202,909	2,127,755
Franchise Fees	1,670,000	-	-
Depreciation	636,624	186,888	662,114
<b>TOTAL OPERATING EXPENSES</b>	<b>17,049,023</b>	<b>939,212</b>	<b>2,789,869</b>
<b>OPERATING INCOME (LOSS)</b>	<b>50,678</b>	<b>50,825</b>	<b>(591,265)</b>
<b>NON-OPERATING REVENUES:</b>			
Investment Earnings	143,250	97,066	9,164
Intergovernmental	61	20	108,110
Payments	-	-	-
Miscellaneous Refunds And Reimbursements	126	-	-
Gain On Disposal Of Capital Assets	-	-	-
<b>TOTAL NON-OPERATING REVENUES</b>	<b>143,437</b>	<b>97,086</b>	<b>117,274</b>
<b>NON-OPERATING EXPENSES:</b>			
Interest	82,826	99,606	-
Issuance Costs & Fiscal Agent Fees	-	15,330	-
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>82,826</b>	<b>114,936</b>	<b>-</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>111,289</b>	<b>32,975</b>	<b>(473,991)</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>147,967</b>	<b>3,281</b>	<b>55,333</b>
<b>TRANSFER IN (OUT)</b>			
Transfers In	-	1,176,001	100,000
Transfers Out	(265,879)	(5,775)	(212,179)
<b>Total Transfers In (Out)</b>	<b>(265,879)</b>	<b>1,170,226</b>	<b>(112,179)</b>
<b>CHANGE IN NET ASSETS</b>	<b>(6,623)</b>	<b>1,206,482</b>	<b>(530,837)</b>
<b>NET ASSETS, January 1</b>	<b>17,639,246</b>	<b>1,642,602</b>	<b>12,069,631</b>
<b>NET ASSETS, December 31</b>	<b>\$ 17,632,623</b>	<b>\$ 2,849,084</b>	<b>\$ 11,538,794</b>

The notes to the financial statements are an integral part of this statement.

<u>TURBINE GENERATOR</u>	<u>OTHER NONMAJOR ENTERPRISE</u>	<u>TOTALS</u>	<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND</u>
\$ 2,374,098	\$ 3,762,635	\$ 26,425,075	\$ 528,767
-	1,148,010	14,317,449	-
-	290,654	1,802,992	-
121,331	2,174,834	5,236,866	391,321
-	-	1,670,000	-
-	617,805	2,103,431	-
<u>121,331</u>	<u>4,231,303</u>	<u>25,130,738</u>	<u>391,321</u>
<u>2,252,767</u>	<u>(468,668)</u>	<u>1,294,337</u>	<u>137,446</u>
188,683	20,586	458,749	38,609
-	-	108,191	-
82,826	-	82,826	-
-	-	126	-
-	3,500	3,500	-
<u>271,509</u>	<u>24,086</u>	<u>653,392</u>	<u>38,609</u>
1,971,092	-	2,153,524	-
29,959	-	45,289	-
<u>2,001,051</u>	<u>-</u>	<u>2,198,813</u>	<u>-</u>
523,225	(444,582)	(251,084)	176,055
-	385	206,966	-
-	-	1,276,001	-
(455,000)	(5,775)	(944,608)	-
<u>(455,000)</u>	<u>(5,775)</u>	<u>331,393</u>	<u>-</u>
68,225	(449,972)	287,275	176,055
<u>72,153</u>	<u>9,264,386</u>	<u>40,688,018</u>	<u>2,749,240</u>
<u>\$ 140,378</u>	<u>\$ 8,814,414</u>	<u>\$ 40,975,293</u>	<u>\$ 2,925,295</u>
Change in net assets - total Enterprise Funds		\$ 287,275	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		<u>49,090</u>	
Change in net assets - Business-type Activities		<u>\$ 336,365</u>	

CITY OF CHASKA, MINNESOTA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>ELECTRIC</u>	<u>WATER</u>	<u>COMMUNITY CENTER</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts From Customers And Users	\$ 17,097,876	\$ 992,286	\$ 2,349,035
Payments To Suppliers	(15,357,675)	(703,588)	(931,785)
Payments To Employees	<u>(867,837)</u>	<u>(313,335)</u>	<u>(1,065,104)</u>
Net Cash Provided (Used) By Operating Activities	<u>872,364</u>	<u>(24,637)</u>	<u>352,146</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Transfers From Other Funds	-	1,176,001	100,000
Transfers To Other Funds	(265,879)	(5,775)	(212,179)
Due From Other Funds	2,703,825	-	-
Due To Other Funds	-	(506,491)	-
Interfund Loans To Other Funds	(2,672,290)	-	-
Interfund Loans From Other Funds	(21,393)	-	-
Intergovernmental	61	20	108,110
Miscellaneous Refunds/Reimbursements	<u>126</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) By Non-Capital Financing Activities	<u>(255,550)</u>	<u>663,755</u>	<u>(4,069)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Deferred Issuance Charges	-	15,330	-
Principal Paid On Bonds	-	(280,000)	-
Amortization Of Premium	-	(2,764)	-
Interest And Fiscal Charges	(82,826)	(105,190)	-
Construction And Acquisition of Capital Assets	(469,437)	(7,317,642)	(195,493)
Lease Principal Received	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) By Capital And Related Financing Activities	<u>(552,263)</u>	<u>(7,690,266)</u>	<u>(195,493)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest On Investments	<u>141,196</u>	<u>97,066</u>	<u>10,178</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>205,747</b>	<b>(6,954,082)</b>	<b>162,762</b>
<b>CASH AND CASH EQUIVALENTS, January 1</b>	<b>4,710,301</b>	<b>9,849,338</b>	<b>867,494</b>
<b>CASH AND CASH EQUIVALENTS, December 31</b>	<b><u>\$ 4,916,048</u></b>	<b><u>\$ 2,895,256</u></b>	<b><u>\$ 1,030,256</u></b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Cash And Investments	\$ 4,916,048	\$ 2,895,256	\$ 1,030,256
Restricted Assets-Revenue Bonds:			
Cash And Investments	-	-	-
Total Cash And Cash Equivalents	<u>\$ 4,916,048</u>	<u>\$ 2,895,256</u>	<u>\$ 1,030,256</u>

			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
TURBINE GENERATOR	OTHER NONMAJOR ENTERPRISE	TOTALS	
\$ 2,374,098	\$ 3,768,619	\$ 26,581,914	\$ 528,767
(121,331)	(2,274,617)	(19,388,996)	(392,521)
-	(1,108,109)	(3,354,385)	-
<u>2,252,767</u>	<u>385,893</u>	<u>3,838,533</u>	<u>136,246</u>
-	-	1,276,001	-
(455,000)	(5,775)	(944,608)	-
-	(207,112)	2,496,713	-
-	-	(506,491)	-
21,393	-	(2,650,897)	-
-	1,328,068	1,306,675	-
-	-	108,191	-
-	-	126	-
<u>(433,607)</u>	<u>1,115,181</u>	<u>1,085,710</u>	<u>-</u>
(2,750)	-	12,580	-
(555,000)	-	(835,000)	-
-	-	(2,764)	-
(1,978,029)	-	(2,166,045)	-
-	(1,095,968)	(9,078,540)	-
<u>266,970</u>	<u>-</u>	<u>266,970</u>	<u>-</u>
<u>(2,268,809)</u>	<u>(1,095,968)</u>	<u>(11,802,799)</u>	<u>-</u>
<u>271,510</u>	<u>19,624</u>	<u>539,574</u>	<u>36,224</u>
(178,139)	424,730	(6,338,982)	172,470
4,102,889	1,597,026	21,127,048	2,748,367
<u>\$ 3,924,750</u>	<u>\$ 2,021,756</u>	<u>\$ 14,788,066</u>	<u>\$ 2,920,837</u>
\$ 1,388,923	\$ 2,021,756	\$ 12,252,239	\$ 2,920,837
2,535,827	-	2,535,827	-
<u>\$ 3,924,750</u>	<u>\$ 2,021,756</u>	<u>\$ 14,788,066</u>	<u>\$ 2,920,837</u>

(Continued)

CITY OF CHASKA, MINNESOTA

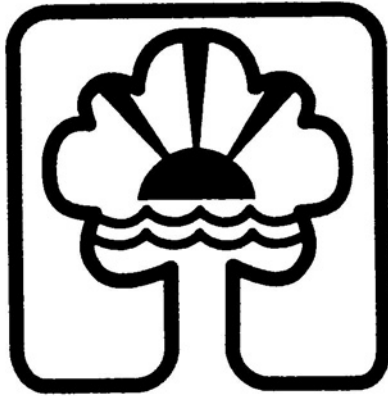
STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>ELECTRIC</u>	<u>WATER</u>	<u>COMMUNITY CENTER</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	\$ 50,678	\$ 50,825	\$ (591,265)
<b>Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:</b>			
Depreciation Expense	636,624	186,888	662,114
Allowance For Uncollectible Accounts	(218)	10	(16)
<b>(Increase) Decrease In Assets:</b>			
Special Assessments Deferred	890	-	-
Accounts Receivable	(15,125)	(3,741)	11,868
Due From Other Governments	17,053	5,980	106,748
Inventory	(75,910)	(4,169)	-
Prepaid Items	-	-	-
<b>Increase (Decrease) In Liabilities:</b>			
Accounts Payable	41,147	(541,635)	122,412
Contracts Payable	-	282,501	-
Salaries Payable	12,425	693	9,545
Deposits Payable	(4,425)	-	10,853
Deferred Revenue	-	-	20,978
Due To Other Governments	209,225	(1,989)	(1,091)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>\$ 872,364</u></b>	<b><u>\$ (24,637)</u></b>	<b><u>\$ 352,146</u></b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>			
Capital Asset Contributions	\$ 147,967	\$ 3,281	\$ 55,333
Trade-In Of Capital Assets	-	-	-

The notes to the financial statements are an integral part of this statement.

(Continued)

<u>TURBINE GENERATOR</u>	<u>OTHER NONMAJOR ENTERPRISE</u>	<u>TOTALS</u>	<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND</u>
\$ 2,252,767	\$ (468,668)	\$ 1,294,337	\$ 137,446
-	617,805	2,103,431	-
-	436	212	-
-	-	890	-
-	(47,845)	(54,843)	-
-	200	129,981	-
-	(12,000)	(92,079)	-
-	79,793	79,793	-
-	155,124	(222,952)	(1,200)
-	-	282,501	-
-	13,561	36,224	-
-	2,871	9,299	-
-	50,322	71,300	-
-	(5,706)	200,439	-
<u>\$ 2,252,767</u>	<u>\$ 385,893</u>	<u>\$ 3,838,533</u>	<u>\$ 136,246</u>
\$ -	\$ 385	\$ 206,966	-
-	3,500	3,500	-



CHASKA





**CITY OF CHASKA, MINNESOTA**

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2004**

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	<b><u>AGENCY FUNDS</u></b>
<b><u>ASSETS</u></b>	
Cash And Cash Equivalents	\$ 226,022
Receivables:	
Accounts	7,181
Due From Other Funds	6,428
Due From Other Governments	<u>161</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 239,792</u></u></b>
 <b><u>LIABILITIES</u></b>	
Accounts Payable	\$ 2,264
Due To Other Funds	6,428
Due To Other Governments	28,350
Deposits Payable	<u>202,750</u>
<b>TOTAL LIABILITIES</b>	<b><u><u>\$ 239,792</u></u></b>

The notes to the financial statements are an integral part of this statement.

**Note 1 Summary of Significant Accounting Policies**

The City of Chaska (the City) operates under the Optional Plan A Statutory, as modified, form of government according to applicable State of Minnesota statutes. The Plan A, as modified, form prescribes a modified Administrator-Council form of organization. The Council consists of an elected mayor and four council members. The City provides the following services: public safety, highways and streets, culture-recreation, public improvements, planning and zoning, and general administration. The City also operates utilities in the areas of electric, water and sewer and also operates a community center, two golf courses, an Internet service and a gas turbine generator.

The financial statements of the City are prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies that the City follows are described below to enhance the usefulness of the financial statements to the reader.

**A) The Financial Reporting Entity**

These financial statements present the City (primary government) and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of its operational or financial relationship with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, one organization has been defined and is presented as if they were part of the City in this report as follows:

Blended component unit –

The Chaska Economic Development Authority (EDA) was established in 1987 by Resolution No. 87-25 of the Chaska City Council. The EDA is included in these financial statements by reason of the EDA Board being comprised of City Council members. Activities of the EDA are financed by a tax levy of the City for that purpose. There are no other statements for the EDA other than those presented in this report.

**B) Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide financial statements and fund financial statements. “**Government-wide financial statements**” (i.e. the Statement of Net Assets and that Statement of Activities) report information based on the City as a whole and exclude fiduciary activity. Also, for the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Direct expenses also include allocated expenses to functional programs from centralized expenses reported in the Self Insurance Fund. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular function, and 3) capital grants and contributions (including special assessments) that are restricted to meeting the capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The accounts of the City are organized on the basis of funds and separate “**Fund Financial Statements**” and are provided for on three different broad fund categories (Governmental, Proprietary and Fiduciary). Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions and activities. A fund is a separate accounting entity with self-balancing accounts that include assets, liabilities, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements present information for individual major funds in separate columns. Nonmajor funds are presented in total in one column in the fund financial statements.

**Major Governmental Funds**

The City of Chaska reports the following major governmental funds:

- The *General Fund* is the general operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.
- *Debt Service Fund - General Obligation Tax Increment Capital Appreciation Bonds of 1995*. This fund was established in 1995 to record the bond sale used to fund various public improvements supported by both special assessment and tax increment sources. The final debt service payment on these bonds was made in 2004 and the fund is closed as of December 31, 2004.
- *Capital Project Fund - TIF District #4 Revolving Fund* - This fund was established in 1985 within the Chaska Flood Control Project Area. This fund is the primary fund for

collection of all District #4 tax revenue which is used in turn to finance expenditures in other District #4 Funds that the City uses as a means to account for project costs.

- **Capital Project Fund - 2003 Improvement Projects** - This fund was established to account for 2003 improvement projects including First Street and Bavaria Road Reconstruction.

### Major Proprietary Funds

The City of Chaska reports the following major Proprietary funds:

- **Electric Fund** – This fund is used to account for revenues and expenses of the City’s Electric Utility.
- **Water Fund** – This fund is used to account for revenues and expenses of the City’s Water Utility.
- **Chaska Community Center** – This fund is used to account for revenues and expenses of the Chaska Community Center.
- **Turbine Generator** – This fund is used to account for the operations of the City’s Turbine Generator Utility.

### Other Funds – The City reports the following other funds:

- **Internal Service Funds** account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The City of Chaska has one Internal Service Fund – the Self-Insurance Fund. This fund is used to account for the purchase of property, liability, and workers’ compensation insurance for all City departments. Costs are allocated to the departments.
- **Fiduciary Funds** account for assets held on behalf of outside parties, including other governments, or other funds within the City. The City’s only fiduciary fund type is an agency fund. Agency funds account for assets that the City holds on behalf of others as their agent and are custodial in nature. The following is a list of the City’s Fiduciary funds:
  - **Builders’ Deposit Fund.** This Agency fund is used to account for the collection of assets in the form of deposits from builders.
  - **Developers’ Fund.** This Agency fund is used to account for the collections of assets in the form of billings to developers.
  - **MCES Collection Fund.** This Agency fund is used to account for the collection of assets in the form of sewer availability charges and contributed to the Metropolitan Council Environmental Services (MCES).

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statement to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds,

subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are franchise taxes and other administrative charges between the City's Enterprise funds and other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### C) Measurement Focus and Basis of Accounting

#### Government-Wide Financial Statements:

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Economic resources measurement focus aims to reporting all inflows, outflows and balances affecting or reflecting an entity's net assets. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

#### Fund Financial Statements:

##### Governmental Funds

Governmental Funds use a *current financial resources measurement focus* and the *modified accrual basis of accounting*. This means that only current assets and current liabilities are generally included on the balance sheets. As stated earlier, the government-wide financial statements use an economic resources measurement focus and the accrual basis of accounting. Therefore, a reconciliation on the governmental funds statements becomes necessary to explain the difference in balances between the government-wide statements and the governmental fund statements.

The reported fund balance (net current assets) is considered a measure of "available, spendable resources". Governmental funds operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available, spendable resources" during a period. Their revenues are recognized when they become measurable and available and thus susceptible to accrual. "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City generally considers revenues as available if they are collected within 60 days after year-end. Grants and similar revenues are recognized when all requirements imposed by the provider have been met. Major revenues that are susceptible to accrual include property taxes, special assessments, intergovernmental revenues, charges for services, and interest on investments. Major revenues that are not susceptible to accrual include licenses and permits, fees and miscellaneous revenue. Such revenues are recorded only as received because they are not measurable until collected.

The City reports deferred revenue on its governmental balance sheet. Deferred revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned amounts are always reported as deferred revenue; earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period. Examples of unearned revenue would be grant monies that are received prior to the occurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Expenditures are generally recognized under the modified accrual basis of accounting where the expenditure is recorded when the related fund liability is incurred, except for principal and interest on long-term debt which is recognized when due.

#### Proprietary and Fiduciary Funds

Proprietary funds are accounted for on a flow of *economic resources measurement focus* and *accrual basis of accounting*. This means that all assets, including capital assets, and all liabilities, including long-term liabilities, associated with fund activity are included on the Statement of Net Assets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Fiduciary funds also utilize the *accrual basis of accounting*. The City has only one Fiduciary Fund type, an agency fund, which is custodial in nature (assets equal liabilities) and does not have a measurement focus.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues for all of the City of Chaska’s enterprise funds and internal service fund are cost of sales and services, administrative expense, and depreciation of capital assets. All other revenues and expenses are reported as non-operating items.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, and then unrestricted resources as they are needed.

#### **D) Budgetary Accounting**

Budgets for the General fund and for certain Special Revenue funds (schedules are included in the financial statements) are adopted on a basis consistent with United States generally accepted accounting principles. All annual appropriations lapse at fiscal year-end.

#### **E) Cash and Investments**

Cash balances from all funds are combined and invested to the extent available as authorized by Minnesota State Statutes. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Investments are

stated at fair value based on quoted market prices. Cash and cash equivalents consist of available cash, cash deposits and highly liquid investments with an original maturity date at the time of purchase of three months or less.

**F) Receivables****1. PROPERTY TAX**

Property tax levies are levied by the City Council and must be levied on or before five business days after December 20<sup>th</sup>. Levied property taxes are certified to Carver County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes.

A portion of the property taxes levied is paid by the State of Minnesota through Market Value Credit, which is usually included in intergovernmental revenue in the financial statements.

The county spreads all levies over assessable property. Such taxes become a lien on the first of January and are recorded as receivables by the City at that date. Revenues are accrued in the year collectable net of delinquencies.

Property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. The County provides tax settlements to cities and other local governments three times a year: on or before June 30, December 1, and before April 15 of the following year.

Taxes, which remain unpaid at December 31, are classified as “delinquent taxes receivable” and are fully offset by deferred revenue in the governmental fund statements because they are not available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

**2. SPECIAL ASSESSMENTS**

The principal and interest portion of special assessments is recognized as revenue in the year when collected in the governmental funds. Both the principal and interest on special assessments are payable in installments over a term of years that matches the scheduled payments for the bond issue which financed the project. Special assessments, which remain unpaid at December 31, are classified as “special assessments receivable” and are fully offset by deferred revenue in the governmental fund financial statements because they are not available to finance current expenditures.

**3. TRADE RECEIVABLES**

All trade receivables are shown net of an allowance for uncollectibles.

**G) Short-Term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds”. The current portion of lending/borrowing arrangements (advances) are classified as “interfund receivables/payables”.

**H) Inventory**

Inventories in the enterprise funds are valued at cost, which approximates market, using a weighted method. Inventories are recorded as expenses when consumed.

**I) Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2004 are recorded as prepaid items. Prepaid items are accounted for using the consumption method.

**J) Advances to Other Funds**

Long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve in the governmental fund statements, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

**K) Land Held for Resale**

Land held for resale represent various property purchases made by the City with the intent to sell in order to increase tax base or attract new business. These assets are stated at the lower of cost or net realizable value.

**L) Restricted Assets and Investments With Escrow Agent**

In the government-wide statement of net assets and proprietary fund financial statements, unspent bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. In the governmental fund financial statements these proceeds are listed as Investments with Escrow Agent. In the debt service funds, the proceeds of a crossover refunding bond issue held by the refunding bond escrow agent are reported as investments with escrow agent. These proceeds and any interest earned thereon can only be used to retire the related bond issue being refunded on its crossover refunding date (the date at which the refunded issue is callable), or to pay interest on the refunding issue until that time.

**M) Capital Assets**

Capital assets, which include land, building and structures, equipment and infrastructure assets (e.g. roads, bridges, curbs, gutters, streets, sidewalks, drainage systems and lighting systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of, or materially extend the life of the asset are recorded as expenditures.



Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City relating to construction during the current fiscal year was \$568,829. Of this amount, \$471,763 was included as part of the cost of capital assets under construction in connection with the water treatment facilities project.

Depreciation of assets on the Government-wide statements for the primary government (governmental and business-type activities) and in the Proprietary funds financial statements is charged as an expense against operations over the estimated useful life of the asset using the straight-line method of depreciation. The City uses a \$5,000 capitalization policy. Depreciation has been provided for in these financial statements based on the following estimated useful lives:

Description	Life
Buildings and Structures	25 years
Furniture and Equipment	3-25 years
Improvements, other than Buildings	25-50 years
Public Domain Infrastructure	10-50 years

Capital Assets not being depreciated include land, works of art/historical treasures and construction in progress.

In accordance with GASB 34 ¶148, the City of Chaska has chosen to report infrastructure assets prospectively beginning in the year of implementation (2003). The government-wide financial statements include infrastructure assets that were completed in 2003 and 2004. The City will retroactively report (1981–2002) all major general infrastructure assets by December 31, 2007.

#### **N) Compensated Absences**

The City compensates all employees upon termination for unused vacation, personal leave, and compensatory time. Union employees, by contract, are entitled to sick leave at the rate of eight (8) hours for each calendar month of full-time service. All vacation, personal leave, and compensatory pay is recorded as an expense and liability as the benefits accrue to employees in the government-wide and proprietary fund financial statements. A liability for these amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### **O) Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**P) Fund Balance**

The difference between fund assets and liabilities is "Fund Balance" on the governmental fund statements. Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources.

**Q) Net Assets**

Net assets represent the difference between assets and liabilities in the government-wide and proprietary fund financial statements. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net assets are reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**R) Interfund Transactions**

Interfund services provided are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. In the ordinary course of business transfers between funds are made to finance projects. Other interfund transactions are reported as transfers in (out). Interfund transactions within the respective categories of governmental activities and business type activities in the government-wide statement of activities are eliminated. The internal balances caption on the government-wide statement of net assets represents interfund receivable or payable between the two types of activities: governmental and business-type.

**Note 2 Compliance and Accountability**

**A) Budget**

The City follows these procedures in establishing the annual budgetary data:

1. City Administrative Services Director prepares history of actual revenues and expenditures for the prior two years and an estimate for the current year.

2. Department heads review the history and estimate the coming year's revenues and expenditures and project for the subsequent five years. Department heads submit their five-year budgets to the City Administrative Services Director.
3. Department budgets are reviewed and combined into a total five-year budget by the City Administrator and City Administrative Services Director.
4. The City Administrator recommends the five-year budget to the City Council and revenue and expenditure targets for the new budget year are established.
5. Department heads prepare and submit detail budgets for the new budget year.
6. Department budgets are reviewed by the City Administrator and City Administrative Services Director and submitted to the City Council for approval.
7. Public hearings are conducted to obtain public comment.
8. The City Council may amend the recommended budget and then approves the final budget and required tax levy through passage of a resolution in accordance with Minnesota State Statutes on "Truth in Taxation".
9. Budgetary control is maintained by department heads for all assigned divisions (i.e., Mayor and Council, Communication, Administration, etc.). Department heads may reallocate budget appropriations between assigned intrafund divisions but may not reallocate between funds; thus, the legal level of control is at the fund level. Additional expenditures not authorized but proposed by department heads are not authorized unless additional revenues or reserves are identified and available. During the year, expenditures in various category levels (i.e., personal services, operating supplies, other services and charges, capital outlay and other financing uses) in several divisional areas exceeded the level of appropriation. These variances were not significant since additional revenues and reserves were identified and available to offset the additional expenditures.
10. Unused budgeted expenditure appropriations lapse at year-end.

**B) Excess of Expenditures Over Appropriations**

For the year ended December 31, 2004, expenditures exceeded appropriations in the general fund by \$74,233. This variance was funded by greater than anticipated revenues.

**C) Nonmajor Funds with Negative Equity**

The following nonmajor funds maintained a deficit fund balance/net asset position at December 31, 2004:

**Capital Project Funds:**

TIF Dist #10 - Nordic Track	\$ 159,692
Redevelopment Plan #4 - Non TIF Projects	404,989
TIF Dist #4 - 1999 Taxable Writedowns	231,894
TIF Dist #12 - Clover Fields	57,462
TIF Dist #13 - North Meadows	5,570
TIF Dist #15 - Chamber Redevelopment	3,544
Unfinanced Improvement Projects	1,828,668
1999 Improvement Projects	2,557
2000 Improvement Projects	112,091
Public Facilites Capital Improvements	245,684
Hwy 312 Improvements	949

**Enterprise Funds:**

Internet Service Provider	628,597
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The deficits in the Capital Project funds relate to capital projects that have incurred expenditures but have not received final financing or grant reimbursement. All funds are expected to recover their deficits.

**Note 3 Cash and Investments**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments". An indication of the level of risk assumed by the City at year-end is categorized as follows:

**A) Deposits**

Minnesota Statutes require that federal deposit insurance, corporate surety bond, or collateral protect all deposits. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Authorized collateral includes the legal investments described below, as well as; certain first mortgage notes and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City or in a financial institution other than that furnishing the collateral.

Deposit balances at December 31, 2004 are as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Total Bank Deposits	\$ 2,824,594	\$ 1,306,889

At December 31, 2004, all deposits were insured, or collateralized by securities held by the City's agent in the City's name.

## B) Investments

The City may also invest idle funds as authorized by Minnesota Statutes, as follows:

- Direct obligations, or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and receives the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less
- General obligations rated 'A' or better, revenue obligations rated 'AA' or better, general obligations of the Minnesota Housing Finance Agency rated 'A' or better
- Bankers' acceptances of United States' banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States' corporations or their Canadian subsidiaries, of the highest category by at least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed Investment Contracts guaranteed by the United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories
- Repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a 'depository' by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U. S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers
- Future contracts sold under authority of Minnesota Statutes 471.56, subd. 5.

The City's investments are categorized below to give an indication of the level of risk assumed at year-end. *Category 1* includes investments that are insured or registered or for which the City or its agent in the City's name holds the securities. *Category 2* includes uninsured and unregistered investments for which the securities are held by the counterparty's

**Notes To The Financial Statements**

**City of Chaska, Minnesota**

**December, 31 2004**

trust department or agent in the City's name. *Category 3* includes uninsured and unregistered investments for which securities are held by the counterpart.

Investment balances at December 31, 2004 are as follows:

	<b>Credit Risk Category</b>			Fair Value
	1	2	3	
U.S. Government Securities	\$ 16,617,099	\$ -	\$ -	\$ 16,617,099
Commercial Paper	10,181,024	-	-	10,181,024
Guaranteed Investment Contracts	-----Unclassified-----			9,134,302
Open End Mutual Funds	-----Unclassified-----			3,849,696
Total Investments	\$ 26,798,123	\$ -	\$ -	\$ 39,782,121
Total Deposits				1,306,889
Petty Cash				2,775
Total Deposits and Investments				\$ 41,091,785

Deposits, investments and petty cash are reported on the City's financial statements are as follows:

Statement of Net Assets - Government-Wide	
Cash and Investments	\$ 35,129,699
Restricted Cash and Investments w/Escrow Agent:	
For Debt Service	5,736,064
	40,865,763
Statement of Net Assets - Fiduciary Funds	
Cash and Investments	226,022
Total Cash and Investments	41,091,785

**Note 4 Detail of Other Receivables**

Other receivables as of year-end for the City's individual major funds and nonmajor funds are as follows:

	<b>Governmental Funds</b>			
	General	TIF District #4	Nonmajor	Government
	Fund	Revolving Fund	Governmental Funds	Wide Total
Other Receivables:				
Contracts	\$ -	\$ 174,738	\$ -	\$ 174,738
Notes	85,417	510,664	666,866	1,262,947
Total Other Receivables	<u>\$ 85,417</u>	<u>\$ 685,402</u>	<u>\$666,866</u>	<u>\$ 1,437,685</u>

\$1,094,221 of the \$1,262,947 Notes Receivable balance is not expected to be received within one year. \$169,216 of the \$174,738 Contracts Receivable balance is not expected to be received within one year. In the governmental funds, amounts have been deferred based on the availability criteria.

**Note 5 Capital Assets**

Capital Asset activity for Governmental activities for the year ended December 31, 2004 is as follows:

	BALANCE				BALANCE
	JAN. 1,	INCREASES	DECREASES	TRANSFERS	DEC. 31,
	2004				2004
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 4,011,024	\$ 1,555,542	\$ -	\$ -	\$ 5,566,566
Works of Art/Treasures	25,425	57,237	-	-	82,662
Construction In Progress	11,471,748	4,746,336	(8,332,451)	49,580	7,935,213
Total capital assets, not being depreciated	15,508,197	6,359,115	(8,332,451)	49,580	13,584,441
Capital assets, being depreciated:					
Buildings And Structures	9,873,580	395,184	-	(10,220)	10,258,544
Improvements Other Than Buildings And Structures	5,961,496	287,847	-	(39,360)	6,209,983
Infrastructure	6,701,575	6,383,588	-	-	13,085,163
Furniture And Equipment	6,819,202	513,815	(437,225)	66,001	6,961,793
Total capital assets being depreciated	29,355,853	7,580,434	(437,225)	16,421	36,515,843
Less accumulated depreciation for:					
Buildings And Structures	(2,903,286)	(334,240)	-	-	(3,237,526)
Improvements Other Than Buildings And Structures	(2,621,464)	(264,379)	-	-	(2,885,843)
Infrastructure	(239,140)	(304,871)	-	-	(544,011)
Furniture And Equipment	(4,100,018)	(583,182)	410,137	(61,841)	(4,334,904)
Total accumulated depreciation	(9,863,908)	(1,486,672)	410,137	(61,841)	(11,002,284)
Total capital assets, being depreciated, net	19,491,945	6,093,762	(27,088)	(45,420)	25,513,199
Governmental activities capital assets, net	\$ 35,000,142	\$ 12,452,877	\$ (8,359,539)	\$ 4,160	\$ 39,097,640



**Notes To The Financial Statements**

**City of Chaska, Minnesota**

**December, 31 2004**

Capital Asset activity for Business-Type activities for the year ended December 31, 2004 is as follows:

	<b>BALANCE</b>				<b>BALANCE</b>
	<b>JAN. 1,</b>	<b>INCREASES</b>	<b>DECREASES</b>	<b>TRANSFERS</b>	<b>DEC. 31,</b>
	<b>2004</b>				<b>2004</b>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 364,805	\$ -	\$ -	\$ -	\$ 364,805
Construction in Progress	6,129,439	7,575,280	-	-	13,704,719
Total capital assets, not being depreciated:	6,494,244	7,575,280	-	-	14,069,524
Capital assets, being depreciated:					
Buildings And Structures	31,364,308	82,299	-	(182,618)	31,263,989
Improvements Other Than Buildings And Structures	200,969	-	-	182,618	383,587
Furniture and Equipment	3,804,627	1,016,727	(287,820)	(84,269)	4,449,265
Line, Poles, Transformers, and Other	10,563,335	559,405	-	-	11,122,740
Pumps, Mains, and Other	5,298,984	59,455	-	18,267	5,376,706
Total Capital assets, being depreciated	51,232,223	1,717,886	(287,820)	(66,002)	52,596,287
Less accumulated depreciation for:					
Buildings And Structures	(10,859,210)	(1,209,803)	-	16,795	(12,052,218)
Improvements Other Than Buildings And Structures	(46,126)	(8,460)	-	(16,795)	(71,381)
Furniture and Equipment	(2,249,228)	(365,911)	287,820	148,521	(2,178,798)
Line, Poles, Transformers, and Other	(4,275,675)	(342,816)	-	(84,751)	(4,703,242)
Pumps, Mains, and Other	(3,591,902)	(176,441)	-	(1,928)	(3,770,271)
Total accumulated depreciation	(21,022,141)	(2,103,431)	287,820	61,842	(22,775,910)
Total capital assets, being depreciated, net	30,210,082	(385,545)	-	(4,160)	29,820,377
Business-type activities capital assets, net	<u>\$ 36,704,326</u>	<u>\$ 7,189,735</u>	<u>\$ -</u>	<u>\$ (4,160)</u>	<u>\$ 43,889,901</u>

Depreciation Expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

General Government	\$309,541
Economic Development	11,131
Public Safety	350,337
Public Works	684,381
Parks, Recreation & Arts	<u>131,282</u>

Total Depreciation Expense –  
Governmental Activities \$1,486,672

**Business-Type Activities:**

Electric	\$636,624
Water	186,888
Sewer	114,802
Community Center	662,114
Chaska Par 30	13,259
Chaska Town Course	456,871
Internet Service Provider	<u>32,873</u>

Total Depreciation Expense –  
Business-Type Activities \$2,103,431

**Note 6 Lease Receivable Agreement**

The City of Chaska has entered into a Lease Receivable Agreement with the Minnesota Municipal Power Agency (MMPA) in which the City agrees to sell MMPA the peaking power and peaking power capacity of the City's gas turbine generator for a thirty-year period commencing May 1, 2001. MMPA receives the sole right to operate the facility and to use the power generated from such operation for the term of the agreement. MMPA is responsible for all expenses of operating and maintaining the facility for this period, with the exception of insurance, which is to be purchased by the City. Under the agreement, MMPA will pay the City an amount representing the total cost to the City of constructing the facility plus a predetermined rate of return and interest. The payments are to be made in equal monthly installments over the thirty-year term of the agreement. The total project costs to the City of constructing the facility were \$29,144,986. The total lease principal after adjusting for issuance costs and interest earnings is \$28,468,092.

Under the agreement, the City retains ownership of the facility. In the event the facility is destroyed or damaged to the point of being unusable before the end of the agreement, the City would be indemnified by MMPA for any costs in excess of insurance of retiring any remaining debt incurred to build the facility.

A second agreement between the two parties gives MMPA the annual option to continue this agreement for an additional twenty-year period beginning May 1, 2031. The agreement calls for annual payments of \$500,000 to be made in equal monthly installments. MMPA will have the annual option to cancel the agreement for any of the twenty additional years by giving the City ninety days written notice in advance of May 1<sup>st</sup> of the year the option will not be exercised. MMPA will continue to have this option for the twenty-year life of the agreement, even if it chooses not to exercise the option in one or more years during the term of the agreement.

Annual lease payments thru April 1, 2031 are as follows:

Year Ending December 31,	Lease Receivable	
	Principal	Interest
2005	\$ 290,738	\$ 2,374,098
2006	316,624	2,350,330
2007	344,812	2,324,444
2008	375,510	2,296,256
2009	408,940	2,265,558
2010-2014	2,660,148	10,545,192
2015-2019	4,074,794	9,130,546
2020-2024	6,241,725	6,963,615
2025-2029	9,561,012	3,644,328
2030-2031	3,316,821	204,665
Total	<u>\$ 27,591,124</u>	<u>\$ 42,099,032</u>

**Note 7 Long-Term Debt**

Long-term liability for the year ended December 31, 2004, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable:					
General Obligation bonds:					
Equipment Certificates	\$ 760,000	\$ 815,000	\$ (370,000)	\$ 1,205,000	\$ 390,000
Tax Increment Bonds	41,193,162	3,360,000	(8,523,162)	36,030,000	7,250,000
Accreted Value	3,568,971	530,019	(4,098,990)	-	-
Improvement Bonds	8,275,000	9,430,000	(1,490,000)	16,215,000	2,345,000
Revenue Bonds	13,270,000	-	(3,525,000)	9,745,000	425,000
Plus: Premium	183,129	28,597	(63,653)	148,073	-
Total bonds payable	<u>67,250,262</u>	<u>14,163,616</u>	<u>(18,070,805)</u>	<u>63,343,073</u>	<u>10,410,000</u>
Compensated absences	<u>360,252</u>	<u>319,168</u>	<u>(301,434)</u>	<u>377,986</u>	<u>299,997</u>
Governmental Activity					
Long-term liabilities	<u>67,610,514</u>	<u>14,482,784</u>	<u>(18,372,239)</u>	<u>63,721,059</u>	<u>10,709,997</u>
<b>Business-type activities:</b>					
Bonds payable:					
General Obligation Revenue Bonds	15,265,000	-	(280,000)	14,985,000	390,000
Revenue Bonds	33,545,000	-	(555,000)	32,990,000	585,000
Plus: Premium	52,390	-	(2,764)	49,626	-
Total bonds payable	<u>48,862,390</u>	<u>-</u>	<u>(837,764)</u>	<u>48,024,626</u>	<u>975,000</u>
Compensated absences	<u>192,580</u>	<u>167,879</u>	<u>(154,554)</u>	<u>205,905</u>	<u>140,502</u>
Business-type activity					
Long-term liabilities	<u>\$ 49,054,970</u>	<u>\$ 167,879</u>	<u>\$ (992,318)</u>	<u>\$ 48,230,531</u>	<u>\$ 1,115,502</u>

For the Governmental Activities, compensated absences are generally liquidated by the General Fund.

**General Obligation Bonds**

General obligation debt is supported by the "full faith and credit" of the City. The City has obligated itself to levy ad valorem taxes in the event of any deficiency in the general obligation debt service funds.

**General Obligation Equipment Certificates:**

\$760,000 G.O. Equipment Certificates dated June 1, 2001; principal due in varying annual installments of \$175,000 to \$205,000 through December 1, 2005

\$530,000 G.O. Equipment Certificates dated September 1, 2002; principal due in varying annual installments of \$170,000 to \$185,000 through December 1, 2005

\$815,000 G.O. Equipment Certificates dated June 15, 2004; principal due in varying annual installments of \$265,000 to \$280,000 through December 1, 2008

<u>Purpose</u>	<u>Interest Rates</u>	<u>Outstanding Amount</u>
Governmental activities	1.5 - 3.9%	\$1,205,000

Annual debt service requirements to maturity for general obligation equipment certificates are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 390,000	\$ 33,395
2006	265,000	21,052
2007	270,000	15,488
2008	280,000	8,400
<u>Total</u>	<u>\$ 1,205,000</u>	<u>\$ 78,335</u>

General Obligation Tax Increment Bonds:

\$4,510,000 G.O. Tax Increment Bonds dated March 1, 1998; crossover refunded in 2004; remaining bonds maturing in the years 2006 through 2010 in the principal amount of \$2,360,000 will be called on December 1, 2005

\$12,120,000 G.O. Tax Increment Bonds dated March 1, 1999; principal due in varying annual installments of \$620,000 to \$3,000,000 through December 1, 2010

\$670,000 G.O. Tax Increment Bonds dated March 1, 1999; principal due in varying annual installments of \$70,000 to \$125,000 through December 1, 2010

\$4,675,000 G.O. Tax Increment Bonds dated August 1, 2000; principal due in varying annual installments of \$125,000 to \$1,000,000 through December 1, 2010

\$1,140,000 G.O. Taxable Tax Increment Bonds dated August 1, 2000; principal due in varying annual installments of \$100,000 to \$165,000 through December 1, 2010

\$2,220,000 G.O. Taxable Tax Increment Refunding Bonds dated October 1, 2001; principal due in varying annual installments of \$310,000 to \$600,000 through December 1, 2006

\$3,550,000 G.O. Tax Increment Crossover Refunding Bonds dated February 1, 2002; principal due in varying annual installments of \$725,000 to \$1,400,000 through December 1, 2008

\$1,555,000 G.O. Taxable Tax Increment Refunding Bonds dated September 1, 2002; principal due in varying annual installments of \$150,000 to \$280,000 through December 1, 2010

\$6,220,000 G.O. Tax Increment Refunding Bonds dated May 1, 2003; principal due in varying annual installments of \$2,795,000 to \$3,425,000 through December 1, 2006

City of Chaska, Minnesota

December, 31 2004

\$2,470,000 G.O. Tax Increment Refunding Bonds dated June 15, 2004; principal due in varying annual installments of \$615,000 to \$625,000 through December 1, 2013

\$890,000 G.O. Taxable Tax Increment Bonds dated June 15, 2004; principal due in varying annual installments of \$45,000 to \$80,000 through December 1, 2021

Purpose	Interest Rates	Outstanding Amount
Governmental activities	3.7 - 7.4%	\$ 21,435,000
Governmental activities - refunding	2.75 - 5.2%	14,595,000
		<u>\$ 36,030,000</u>

Annual debt service requirements to maturity for general obligation tax increment bonds are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2005	\$ 7,250,000	\$ 1,495,827
2006	5,375,000	1,216,258
2007	5,345,000	1,021,632
2008	5,820,000	798,183
2009	4,445,000	547,370
2010-2014	7,300,000	631,385
2015-2019	335,000	112,630
2020-2024	160,000	14,880
Total	<u>36,030,000</u>	<u>\$ 5,838,165</u>

General Obligation Improvement Bonds:

\$7,565,000 G.O. Improvement Bonds dated June 1, 2001; principal due in varying annual installments of \$500,000 to \$1,065,000 through December 1, 2011

\$1,420,000 G.O. Improvement Refunding Bonds dated October 1, 2001; principal due in varying annual installments of \$50,000 to \$270,000 through December 1, 2009

\$455,000 G.O. Improvement Bonds dated September 1, 2002; principal due in varying annual installments of \$40,000 to \$75,000 through December 1, 2012

\$555,000 G.O. Taxable Improvement Bonds dated September 1, 2002; principal due in varying annual installments of \$50,000 to \$60,000 through December 1, 2012

\$2,780,000 G.O. Capital Improvement Plan Refunding Bonds dated March 1, 2004; principal due in varying annual installments of \$130,000 to \$305,000 through December 1, 2015

City of Chaska, Minnesota

December, 31 2004

\$6,650,000 G.O. Improvement Bonds dated June 15, 2004; principal due in varying annual installments of \$115,000 to \$840,000 through December 1, 2020

Purpose	Interest Rates	Outstanding Amount
Governmental activities	1.5 - 4.9%	\$ 12,915,000
Governmental activities - refunding	1.1 - 3.9%	3,300,000
		<u>\$ 16,215,000</u>

Annual debt service requirements to maturity for general obligation special assessment bonds are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2005	\$ 2,345,000	\$ 554,137
2006	2,480,000	487,880
2007	2,445,000	412,250
2008	2,290,000	330,368
2009	1,820,000	250,953
2010-2014	3,865,000	573,045
2015-2019	855,000	110,840
2020-2024	115,000	5,175
Total	<u>\$ 16,215,000</u>	<u>\$ 2,724,648</u>

General Obligation Revenue Bonds:

\$1,130,000 G.O. Water Revenue Bonds dated May 1, 1996; principal due in varying annual installments of \$40,000 to \$200,000 through December 1, 2006

\$15,150,000 G.O. Water Revenue Bonds dated May 1, 2003; principal due in varying annual installments of \$245,000 to \$1,160,000 through December 1, 2022

Purpose	Interest Rates	Outstanding Amount
Water Treatment Facilities - Water Fund	2.25 - 4.8%	\$14,985,000

City of Chaska, Minnesota

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Annual debt service requirements to maturity for general obligation revenue bonds are as follows:

Year Ending December 31	Business-type Activities	
	Principal	Interest
2005	\$ 390,000	\$ 567,596
2006	595,000	557,821
2007	675,000	542,026
2008	690,000	525,152
2009	705,000	506,176
2010-2014	3,890,000	2,148,119
2015-2019	4,705,000	1,322,695
2020-2024	3,335,000	296,595
Total	<u>\$ 14,985,000</u>	<u>\$ 6,466,180</u>

**Revenue Bonds:**

\$9,150,000 EDA School Facilities Lease Revenue Refunding Bonds dated June 1, 1999; principal due in varying annual installments of \$25,000 to \$1,440,000 through December 1, 2019

\$34,580,000 Electric Revenue Bonds dated July 1, 2000; principal due in varying annual installments of \$505,000 to \$2,385,000 through October 1, 2030

\$1,650,000 Public Facilities Revenue Bonds dated October 1, 2001; principal due in varying annual installments of \$25,000 to \$360,000 through December 1, 2014

\$325,000 Public Facilities Lease Revenue Bonds dated March 1, 2002; principal due in varying annual installments of \$105,000 to \$110,000 through December 1, 2005

Purpose	Interest Rates	Outstanding Amount
Governmental activities	2.75 - 4.9%	\$ 1,700,000
Governmental activities - refunding	5.13 - 5.5%	8,045,000
Turbine Generator Fund	4.5% - 6.1%	32,990,000
		<u>\$ 42,735,000</u>

City of Chaska, Minnesota

December, 31 2004

Revenue bond debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2005	\$ 425,000	\$ 502,778	\$ 585,000	\$ 1,950,279
2006	425,000	483,209	610,000	1,921,029
2007	440,000	463,282	645,000	1,887,479
2008	560,000	442,308	680,000	1,851,681
2009	580,000	415,043	720,000	1,813,601
2010-2014	3,460,000	1,618,458	4,250,000	8,420,261
2015-2019	3,855,000	733,290	5,595,000	7,067,815
2020-2024	-	-	7,490,000	5,177,500
2025-2029	-	-	10,030,000	2,633,425
2030-2034	-	-	2,385,000	145,485
Total	<u>\$ 9,745,000</u>	<u>\$ 4,658,368</u>	<u>\$ 32,990,000</u>	<u>\$ 32,868,555</u>

### **2004 Activity**

On March 1, 2004 the City issued \$2,780,000 in General Obligation Capital Improvement Plan Refunding Bonds with a net effective interest rate of 3.127% (1.1% to 3.70%) to refund the remaining outstanding maturities of the City Economic Development Authority's \$4,175,000 Public Facilities Lease Revenue Bonds, Series 1995 which was used to finance the acquisition of the fire department building and the driver and vehicle services building. The maturity date is December 1, 2015. These bonds are backed by the full faith and credit of the City. This current refunding was undertaken to reduce total debt service payments over the next 12 years by \$606,662 and resulted in an economic gain of \$442,415.

On June 15, 2004 the City issued \$6,650,000 in General Obligation Improvement Bonds with a net effective interest rate of 3.4998% (1.75% - 4.50%). Proceeds of the Improvement Bonds, together with funds from the Metropolitan Council and the City, will be used to finance street improvement projects in the City, including Bavaria Road and First Street. The maturity date is December 1, 2020. These bonds are backed by the full faith and credit of the City.

On June 15, 2004 the City issued \$2,470,000 in General Obligation Tax Increment Refunding Bonds with a net effective interest rate of 3.7522% (3.60% - 3.75%). Proceeds of the Refunding Bonds will be used to cross refund \$2,360,000 of the \$3,050,000 outstanding of the \$4,510,000 General Obligation Tax Increment Bonds of 1998. The crossover date is December 1, 2005. This refunding was undertaken to allow the City to take advantage of lower interest rates and to restructure its annual debt service requirements. The maturity date is December 1, 2013. These bonds are backed by the full faith and credit of the City.

On June 15, 2004 the City issued \$890,000 in Taxable General Obligation Tax Increment Bonds with a net effective interest rate of 5.9338% (4.00% - 6.20%). Proceeds of the Taxable Bonds



will be used to finance public improvements of Block 53 in the City's Tax Increment District No. 14. The Taxable bonds are being used as taxable obligations under state and federal tax laws as a result of contractual commitments by private entities regarding minimum assessed values of properties benefiting from the proceeds of the Taxable Bonds. The maturity date is December 1, 2021. These bonds are backed by the full faith and credit of the City.

On June 15, 2004 the City issued \$815,000 in General Obligation Equipment Certificates with a net effective interest rate of 2.7121% (2.10% - 3.00%). Proceeds of the Certificates were used to finance the acquisition capital equipment for various City departments. The maturity date is December 1, 2008. These bonds are backed by the full faith and credit of the City.

On December 1, 2004 a crossover refunding occurred related to bonds that were issued on May 1, 2003. On that date, the City issued \$6,220,000 General Obligation Tax Increment Crossover Refunding Bonds with a net effective interest rate of 1.934% (interest rate on the bonds is 3%) to provide moneys to cross refund the outstanding General Obligation Capital Appreciation Bonds of 1995. The maturity date of the new bonds is December 1, 2006. This current refunding was undertaken to reduce total debt service payments over the next 2 years by \$254,550 and resulted in an economic gain of \$241,971

**NOTES PAYABLE:**

The City also issues notes payable. For tax increment notes, the City pledges tax increment revenues captured by the tax increment districts to pay debt service on the notes issued to enhance economic development within the tax increment districts. Payments are first applied to accrued interest and then to principal balances. The note is cancelled at the end of the agreement term, whether or not they have been repaid.

As of December 31, 2004, the City has one outstanding note payable which is for Entegris, Inc., (formerly Flouroware, Inc.). This note was issued in 1997 at 8.5% interest with payments due through 2010. The outstanding balance as of December 31, 2004 is \$1,801,361. This amount has not been included in long-term debt because of the nature of these notes in that repayment is required only if sufficient tax increments are received. The City's position is that these are obligations to assign future and uncertain revenue sources and as such, is not actual debt in substance.

**CONDUIT DEBT:**

From time to time, the City has issued Industrial Revenue Bonds (IRBs) and Housing Revenue Bonds (HRBs) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and housing facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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As of December 31, 2004, there were seven series of IRBs outstanding. The aggregate principal amount payable for the one series issued after July 1, 1995, was \$1,735,000. The aggregate principal amount payable for the six series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$17,502,500.

As of December 31, 2004, there were twelve series of HRBs outstanding. The aggregate principal amounts payable for the series issued after July 1, 1995 was \$15,000,691. The aggregate principal amount payable for the five series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$10,595,000.

### Note 8 Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2004 are as follows:

*Due to/from other funds:*

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Other Nonmajor Governmental	District #4 Revolving	\$ 12,116,461	1
Other Nonmajor Governmental	Other Nonmajor Governmental	2,816,450	1
Electric	Chaska Town Course	16,279	1
Fiduciary	Fiduciary	6,428	1
<b>Total</b>		<u>\$ 14,955,618</u>	

*Interfund receivables/payables:*

*Advances to/from other funds:*

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Interfund</u>		<u>Total</u>	<u>Purpose</u>
		<u>Receivables/ Payables</u>	<u>Advances To/From</u>		
Electric Fund	Other Nonmajor Governmental	\$ 1,736,204	\$ 55,000	\$ 1,791,204	2/3
Other Nonmajor Governmental	District #4 Revolving	153,657	349,758	503,415	4
Other Nonmajor Governmental	Other Nonmajor Governmental	225,053	653,820	878,873	4
Other Nonmajor Governmental	Other Nonmajor Business-Type	-	621,000	621,000	5
Turbine	Electric Fund	22,685	1,327,214	1,349,899	6
Electric Fund	Other Nonmajor Business-Type	168,000	813,086	981,086	7
<b>Total</b>		<u>\$ 2,305,599</u>	<u>\$ 3,819,878</u>	<u>\$ 6,125,477</u>	

### **Explanation of Purpose for Receivables/Payables & Advances to/from other funds:**

(1) The *Due To/Due From Other Funds* eliminate what would have been a negative cash balance in the fund. The City settled these interfund payables in early 2005.

(2) \$1,716,204 is related to TIF District #15 (Downtown Redevelopment) financing first year project costs with a loan from the Electric Fund. The loan, plus interest, will be paid in full when bonds and land are sold to finance the project in 2005.

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(3) \$75,000 is related to a loan that the Electric Fund made to the Public Facilities Improvement Fund for Facility Construction. \$55,000 of the amount outstanding will not be paid within one year.

(4) This receivable/payable represents loans between the City of Chaska and Chaska EDA in order to redevelop Tax Increment Districts. Repayment of the loan principal and interest has and will be made from tax increment generated from the Districts. Of this amount, \$1,003,578 will not be paid within the next year.

(5) When the City developed the expanded wireless internet service, the City financed the Capital Investment through the sale of equipment certificates in the amount of \$621,000. This loan is between the Equipment Acquisition Fund and the Internet Service Provider Enterprise Fund. The entire principal amount of the loan will remain outstanding throughout 2005.

(6) A long-term interfund loan between the Electric Fund and the Turbine Fund was made in 2001 to finance a substation. Of the \$1,349,899 owed at 12/31/04, \$1,327,214 represents the portion that will not be paid within the year.

(7) The additional costs not covered by the loan explained in (5) were funded through an interfund loan between the Electric Utility and the Internet Service Provide Enterprise Fund. Of the amount listed, \$813,086 will not be paid within one year.

**Interfund transfers:**

	Transfers In:						Total
	Governmental Activities				Business-Type Activities		
	GO TI Capital	2003		Other	Water	Community Center	
Transfers Out:	General Fund	Appreciation Bond of 1995	Improvement Projects	Nonmajor			
General Fund	\$ -	\$ -	\$ -	\$ 301	\$ -	\$ -	\$ 301
District #4 Revolving	-	3,540,345	-	2,083,105	-	-	5,623,450
Other Nonmajor Governmental	38,900	200,000	1,498,399	1,225,163	1,171,214	-	4,133,676
Electric	-	-	-	158,000	4,787	100,000	262,787
Water	-	-	-	3,500	-	-	3,500
Community Center	-	-	-	212,179	-	-	212,179
Turbine	127,000	-	-	328,000	-	-	455,000
Other Nonmajor Business-Type	-	-	-	3,500	-	-	3,500
	<u>\$ 165,900</u>	<u>\$ 3,740,345</u>	<u>\$ 1,498,399</u>	<u>\$ 4,013,748</u>	<u>\$ 1,176,001</u>	<u>\$ 100,000</u>	<u>\$ 10,694,393</u>

\* The discrepancy between this Note and the Proprietary Funds Statement of Activities is due to a transfer of an asset from the Enterprise Funds to Governmental Funds. Governmental Funds do not report capital assets, therefore, a transfer out is only reflected on the Proprietary Funds Statement of Activities without a corresponding Transfer In on the Governmental Funds Statements.

**Explanation of Transfers:**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service

payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## Note 9 Reserved and Unreserved-Designated Fund Balance

The following table identifies fund balances of the Governmental Funds in greater detail than is presented on the face of the financial statements:

	Governmental Fund Balances As of December 31, 2004					
	General	Dist #4 Revolving	2003 Improvement Projects	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects
Fund Balances:						
Reserved for Community Center	\$ -	\$ -	\$ -	\$ 35,095	\$ -	\$ -
Reserved for Debt Requirements	-	-	-	-	2,284,410	-
Reserved for Refunding Bonds	-	-	-	-	2,395,600	-
Reserved for Advance to Other Funds	-	-	-	621,000	-	1,003,578
Reserved for Construction	-	-	2,732,589	-	-	23,884,556
Reserved for Mt. Pleasant Perpetual Care	-	-	-	90,362	-	-
Reserved for Grace Gibson Foundation	-	-	-	360	-	-
Reserved for Redevelopment	-	-	-	-	-	1,323,009
Total Reserved Fund Balances:	-	-	2,732,589	746,817	4,680,010	26,211,143
Unreserved Fund Balances:						
Designated for Capital Outlay Acquisition	-	-	-	1,606,343	-	-
Designated for Compensated Balances	377,986	-	-	-	-	-
Designated for Working Capital	2,705,000	-	-	-	-	-
Total Designated Fund Balances:	3,082,986	-	-	1,606,343	-	-
Undesignated	130,725	(12,509,779)	1,748,372	87,829	-	(4,462,050)
Total Unreserved Fund Balances:	3,213,711	(12,509,779)	1,748,372	1,694,172	-	(4,462,050)
Total Fund Balances	\$ 3,213,711	\$ (12,509,779)	\$ 4,480,961	\$ 2,440,989	\$ 4,680,010	\$ 21,749,093

## Note 10 Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible. The City's workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusion from the insurance policies. These amounts are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including life, disability, dental and health insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

The Self Insurance fund, an internal service fund, which charges its costs to user departments, accounts for the risk management activities of the City. The fund is designed to build up a reserve, which will provide the City the opportunity to assume a greater share of its insurance risks and thereby reducing the cost to purchase insurance.

### **Note 11 Committed Contracts**

At December 31, 2004, the City had commitments for eleven uncompleted construction contracts with a remaining balance of \$10,363,609.

### **Note 12 Right-of-Way**

At December 31, 2004 the City had acquired in name eighteen properties for a total cost of \$6,434,698 for State Highway 312 right-of-way under the Metropolitan Council Right-of-Way Acquisition Loan Fund (RALF).

Under the RALF program, the City is obligated to return to the Metropolitan Council the proceeds of all RALF properties sold to the State of Minnesota. These RALF obligations and related properties have not been recorded since they do not represent true resources or liabilities of the City.

### **Note 13 Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

In connection with the normal conduct of its affairs, the City is involved in various claims litigation and judgments. It is expected that the final settlement of those matters will not materially affect the financial statements of the City.

**Note 14 Jointly Governed Organization**

The City, in conjunction with ten other municipalities that provide distribution of electric services, created the Minnesota Municipal Power Agency (MMPA). MMPA began operations on July 1, 1995. MMPA purchases power that is purchased and distributed by the eleven municipalities that operate electric distribution systems. MMPA's board of directors is comprised of one member from each participating entity. Except for minimum purchase requirements, no participant has any obligation, entitlement, or residual interest. The City's purchases of power from MMPA for the year ended December 31, 2004 were \$11,820,759. MMPA issues an annual financial report which may be obtained by writing MMPA, P.O. Box 339, 2015 First Avenue, Anoka, MN 55303, or by calling (763) 323-3337.

**Note 15 Subsequent Events**

On April 20th, 2005 the City issued \$30,735,000 in Electric Revenue Refunding Bonds (Generating Facilities) with a net effective interest rate of 4.89% (3.0% to 5.25%). Proceeds of the refunding bond will be used to partially advance refund \$32,890,000 of the \$34,580,000 Electric Revenue Series 2000A Bonds, currently outstanding in the aggregate principal amount of \$32,990,000. The call date of this partial advance refunding is October 1, 2010. The purpose of this refunding is to enable the City to achieve a debt service savings of \$2,594,566, a present value savings of \$1,508,627.

**Note 16 Defined Benefit Pension Plans - Statewide****A) Plan Description**

All full-time and certain part-time employees of the City of Chaska are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost sharing, multiple-employer retirement plans. These plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356.

PERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, fire fighters and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERF's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula

(Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For all PEPFF and PERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement is 55 for PEPFF and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF and PEPFF. That report may be obtained from their website at [mnpera.org](http://mnpera.org), by writing to PERA, 60 Empire Drive, Suite 200, St. Paul, Minnesota, 55103 or by calling (651) 296-7460 or 1-800-652-9026.

## **B) Funding Policy**

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 5.10%, respectively, of their annual covered salary. PEPFF members are required to contribute 6.20% of their annual covered salary. The City of Chaska is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members, 5.53% for Coordinated Plan PERF members, and 9.3% for PEPFF members. The City's contributions were equal to the contractually required contributions for each year as set by state statute and were as follows:

	<u>PERF</u>	<u>PEPFF</u>
<b>December 31, 2002</b>	\$ 225,369	\$ 105,420
<b>December 31, 2003</b>	241,193	129,104
<b>December 31, 2004</b>	256,573	136,804

**Note 17 Defined Contribution Plan – Statewide**

Two council members of the City of Chaska are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official’s employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and four-tenths of one percent of the assets in each members account annually.

Total contributions made by the City of Chaska during fiscal year 2004 were:

<u>Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required</u>
<u>Employees</u>	<u>Employer</u>	<u>Employees</u>	<u>Employer</u>	<u>Rates</u>
\$432	\$432	5.00%	5.00%	5.00%

**Note 18 Defined Benefit Pension Plans – Local**

**A) Plan Description**

The City of Chaska contributes to the Chaska Fire Department Relief Association Pension Plan (CFDRAPP); a single-employer defined benefit pension plan administered by the Chaska Fire Department Relief Association (CFDRA) and governed by a board of nine trustees. The members of the CFDRA elect six trustees, each to a three year term. The Fire Chief, Mayor and Chief Financial Officer of the City are appointed by the City as ex-officio trustees. Ex-officio trustees are not permitted to hold any additional office in the CFDRA. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. These benefit provisions are established and can be amended by the CFDRA’s Board of Trustees with approval by the Chaska City Council. The CFDRA issues a publicly



available financial report that includes financial statements and required supplementary information for CFRAPP. That report may be obtained by writing to City of Chaska, One City Hall Plaza, Chaska, MN 55318-1962 or by calling (952) 448-9200.

#### B) Funding Policy

The contribution requirements are established and may be amended by the Minnesota State Legislature. The CFRAPP is comprised of volunteers; therefore, there are no covered payroll amounts or member contributions required.

#### C) Annual Pension Cost and Net Pension Obligations

For 2003, the City of Chaska's annual pension cost of \$219,055 was equal to the City's required and actual contribution. The annual required contribution for the year was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 5% investment rate of return, (b) no projected salary increases and (c) no cost-of-living adjustments. Both (a) and (b) include an inflation component of 0.0%. The actuarial value of assets was determined using fair value based on current market value. The unfunded actuarial accrued liability is being amortized as a level dollar on a closed basis. The remaining amortization period at December 31, 2003 was 13 years (December 31, 2016).

Total annual pension costs for the CFRAPP for the year ended December 31, 2003 were as follows:

<u>Contribution</u>	<u>Amount</u>
State of Minnesota	\$ 90,305
City of Chaska:	
Tax Levy	63,750
Additional	65,000
Total City Contribution	<u>128,750</u>
Total Annual Pension Cost	<u>\$ 219,055</u>

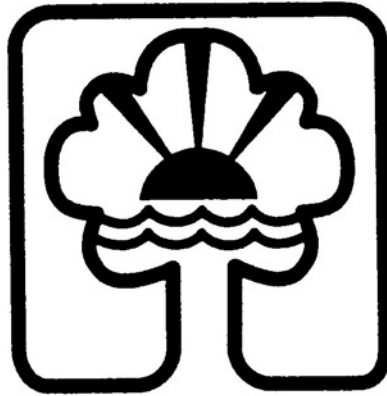
#### D) Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation</u>
12/31/2001	197,269	100.0%	-
12/31/2002	202,230	100.0%	-
12/31/2003	219,055	100.0%	-

**E) Required Supplementary Information, Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Total Unfunded Actuarial Liability</b>	<b>Funded Ratio</b>	<b>Pension Benefit per Month</b>	
					<b>Per Month of Service</b>	<b>Estimated Per Year of Service</b>
12/31/00	2,610,018	3,812,238	1,202,220	68.5%	1.8000	21.60
12/31/02	2,358,094	4,017,005	1,658,911	58.7%	1.8000	21.60
12/31/03	2,719,820	4,135,388	1,415,568	65.8%	1.8000	21.60

The CFDRA is comprised of volunteers; therefore, there are no payroll expenditures (i.e., there are no covered payroll amounts or percentage calculations.)



CHASKA

**Combining Fund Financial Statements  
Nonmajor Special Revenue, Debt Service and Capital Project Funds**

**City of Chaska**

**December 31, 2004**

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**CITY OF CHASKA, MINNESOTA**

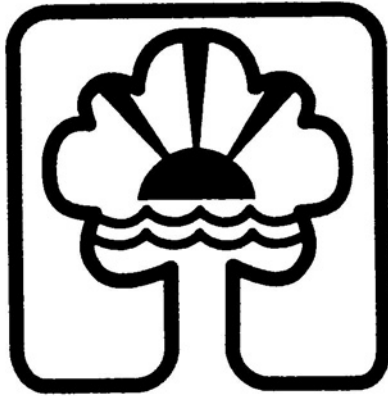
**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<b><u>ASSETS</u></b>				
Cash And Investments	\$ 1,855,157	\$ 1,446,892	\$ 8,860,301	\$ 12,162,350
Investments with Escrow Agent	-	3,200,237	-	3,200,237
Receivables:				
Taxes	43,069	-	413	43,482
Special Assessments	200,065	6,198,706	1,599,279	7,998,050
Accounts	14,880	-	14,062	28,942
Interest	1,568	-	26,635	28,203
Other Receivables	-	288,718	378,148	666,866
Due from Other Funds	-	-	14,932,911	14,932,911
Due From Other Governments	3,825	32,957	1,437,417	1,474,199
Interfund Receivable	-	-	378,710	378,710
Advance to Other Funds	621,000	-	1,003,578	1,624,578
Land Held for Resale	-	-	3,216,403	3,216,403
<b>TOTAL ASSETS</b>	<b><u>\$ 2,739,564</u></b>	<b><u>\$ 11,167,510</u></b>	<b><u>\$ 31,847,857</u></b>	<b><u>\$ 45,754,931</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES:</b>				
Accounts Payable	\$ 95,331	\$ 15,007	\$ 142,125	\$ 252,463
Due To Other Funds	-	-	2,816,450	2,816,450
Interfund Payable	-	-	1,961,257	1,961,257
Deferred and Unearned Revenue	203,244	6,472,493	4,470,112	11,145,849
Advance from Other Funds	-	-	708,820	708,820
<b>TOTAL LIABILITIES</b>	<b><u>298,575</u></b>	<b><u>6,487,500</u></b>	<b><u>10,098,764</u></b>	<b><u>16,884,839</u></b>
<b>FUND BALANCES:</b>				
Reserved	746,817	4,680,010	26,211,143	31,637,970
Unreserved, designated	1,606,343	-	-	1,606,343
Unreserved, undesignated reported in:				
Special Revenue Funds	87,829	-	-	87,829
Capital Project Funds	-	-	(4,462,050)	(4,462,050)
<b>TOTAL FUND BALANCES</b>	<b><u>2,440,989</u></b>	<b><u>4,680,010</u></b>	<b><u>21,749,093</u></b>	<b><u>28,870,092</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 2,739,564</u></b>	<b><u>\$ 11,167,510</u></b>	<b><u>\$ 31,847,857</u></b>	<b><u>\$ 45,754,931</u></b>

**CITY OF CHASKA, MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<b><u>REVENUES</u></b>				
Taxes:				
Property	\$ 431,166	\$ -	\$ 68,396	\$ 499,562
Intergovernmental	27,748	577,039	665,859	1,270,646
Charges for Services	318,221	-	1,728,473	2,046,694
Special Assessments	63,303	1,374,828	366,067	1,804,198
Other Revenue	234,513	217,666	571,917	1,024,096
	<u>1,074,951</u>	<u>2,169,533</u>	<u>3,400,712</u>	<u>6,645,196</u>
<b>TOTAL REVENUES</b>				
<b><u>EXPENDITURES</u></b>				
<b>CURRENT:</b>				
General Government	-	1,556	46,541	48,097
Economic Development	168,041	-	226,410	394,451
Public Safety	7,385	-	106,000	113,385
Public Works	8,012	-	625,928	633,940
Parks, Recreation and Arts	47,716	-	-	47,716
<b>DEBT SERVICE:</b>				
Principal	-	4,655,000	-	4,655,000
Interest	-	2,634,485	128,312	2,762,797
Refunding Contribution	-	386,900	-	386,900
Issuance Costs & Fiscal Agent Fees	14,542	116,455	27,423	158,420
<b>CAPITAL OUTLAY</b>	<u>595,982</u>	<u>-</u>	<u>447,134</u>	<u>1,043,116</u>
	<u>841,678</u>	<u>7,794,396</u>	<u>1,607,748</u>	<u>10,243,822</u>
<b>TOTAL EXPENDITURES</b>				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>233,273</u>	<u>(5,624,863)</u>	<u>1,792,964</u>	<u>(3,598,626)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In	208,756	3,804,992	-	4,013,748
Transfers Out	(448,274)	(73,411)	(3,611,991)	(4,133,676)
Bonds Issued	805,819	165,400	769,869	1,741,088
Refunding Bonds Issued	-	5,250,000	-	5,250,000
Premium on Bonds Issued	2,835	12,948	-	15,783
Payment to Refunded Bond Escrow Agent	-	(8,970,252)	-	(8,970,252)
Sale of Capital Assets	53,759	-	-	53,759
	<u>622,895</u>	<u>189,677</u>	<u>(2,842,122)</u>	<u>(2,029,550)</u>
<b>TOTAL OTHER FINANCING SOURCES AND USES</b>				
<b>NET CHANGE IN FUND BALANCES</b>	856,168	(5,435,186)	(1,049,158)	(5,628,176)
<b>FUND BALANCES, January 1</b>	<u>1,584,821</u>	<u>10,115,196</u>	<u>22,798,251</u>	<u>34,498,268</u>
<b>FUND BALANCES, December 31</b>	<u>\$ 2,440,989</u>	<u>\$ 4,680,010</u>	<u>\$ 21,749,093</u>	<u>\$ 28,870,092</u>



CHASKA

## Nonmajor Special Revenue Funds

City of Chaska

December 31, 2004

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Special Revenue Funds are used to account for specific revenue sources that are legally restricted to expenditures for particular purposes.

<b>Ambulance Fund</b>	This fund accounts for grants to be used for the replacement of the ambulance.
<b>Mount Pleasant Maintenance &amp; Care Fund</b>	This fund is used to account for property tax levies and lot sales that are legally restricted to the maintenance of the cemetery and principal amounts received and related interest income for the care of the Mt. Pleasant Cemetery.
<b>Chaska EDA Fund</b>	This fund is used to report the administrative activities associated with the Chaska Economic Development Authority. The authority is authorized and levies ad valorem taxes to provide funds for operations.
<b>Park Development Fund</b>	This fund is used to account for grants and other dedicated revenues appropriated by budget for park and trail development.
<b>Equipment Acquisition Fund</b>	This fund is used to account for property tax levies appropriated by budget for capital equipment acquisition.
<b>Grace Gibson Fund</b>	This fund is used to account for assets received and related revenues and expenditures associated with Grace Gibson activities.
<b>Community Land Trust</b>	This fund is used to account for grants and other dedicated revenues appropriated for the Community Land Trust.



**CITY OF CHASKA, MINNESOTA**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2004**

	<u>AMBULANCE</u>	<u>MOUNT PLEASANT MAINTENANCE &amp; CARE</u>	<u>CHASKA EDA</u>	<u>PARK DEVELOPMENT</u>
<b><u>ASSETS</u></b>				
Cash And Investments	\$ -	\$ 155,531	\$ 25,294	\$ 1,088,219
Receivables:				
Taxes:				
Unremitted	-	534	954	-
Delinquent	-	71	320	-
Special Assessments:				
Unremitted	-	-	-	1,995
Delinquent	-	-	-	6,663
Deferred:				
Certified To County	-	-	-	191,407
Accounts:				
Current	-	-	14,526	-
Interest	-	-	-	1,568
Due From Other Governments	-	-	472	3,353
Advance To Other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ -</u></b>	<b><u>\$ 156,136</u></b>	<b><u>\$ 41,566</u></b>	<b><u>\$ 1,293,205</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES:</b>				
Accounts Payable	\$ -	\$ 3,990	\$ 15,130	\$ 911
Contracts Payable	-	-	-	57,950
Deferred Revenue	-	71	320	198,070
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>4,061</u></b>	<b><u>15,450</u></b>	<b><u>256,931</u></b>
<b>FUND BALANCES (Deficit):</b>				
<b>Reserved:</b>				
Reserved For Advance to Other Funds	-	-	-	-
Reserved For Community Center	-	-	-	35,095
Reserved For Mt. Pleasant Perpetual Care	-	90,362	-	-
Reserved For Concerts In The Park	-	-	-	-
<b>Unreserved:</b>				
Designated For Capital Outlay Acquisition	-	-	-	1,001,179
Undesignated	-	61,713	26,116	-
<b>TOTAL FUND BALANCES</b>	<b><u>-</u></b>	<b><u>152,075</u></b>	<b><u>26,116</u></b>	<b><u>1,036,274</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ -</u></b>	<b><u>\$ 156,136</u></b>	<b><u>\$ 41,566</u></b>	<b><u>\$ 1,293,205</u></b>

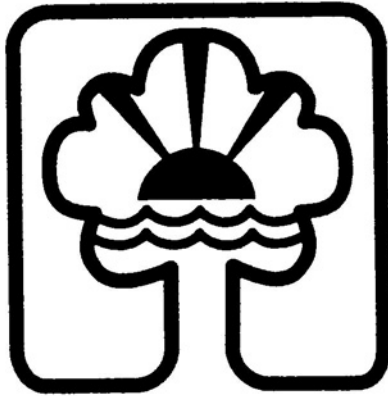
<u>EQUIPMENT ACQUISITION</u>	<u>GRACE GIBSON</u>	<u>COMMUNITY LAND TRUST</u>	<u>TOTALS</u>
\$ 585,753	\$ 360	\$ -	\$ 1,855,157
36,407	-	-	37,895
4,783	-	-	5,174
-	-	-	1,995
-	-	-	6,663
-	-	-	191,407
354	-	-	14,880
-	-	-	1,568
-	-	-	3,825
621,000	-	-	621,000
<u>\$ 1,248,297</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ 2,739,564</u>
\$ 17,350	\$ -	\$ -	\$ 37,381
-	-	-	57,950
4,783	-	-	203,244
<u>22,133</u>	<u>-</u>	<u>-</u>	<u>298,575</u>
621,000	-	-	621,000
-	-	-	35,095
-	-	-	90,362
-	360	-	360
605,164	-	-	1,606,343
-	-	-	87,829
<u>1,226,164</u>	<u>360</u>	<u>-</u>	<u>2,440,989</u>
<u>\$ 1,248,297</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ 2,739,564</u>

**CITY OF CHASKA, MINNESOTA**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	AMBULANCE	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	PARK DEVELOPMENT
<b>REVENUES:</b>				
Taxes	\$ -	\$ 5,656	\$ 35,185	\$ -
Intergovernmental:				
State:				
Market Value Credit	-	296	2,534	-
Other	-	-	1,204	-
Local:				
ISD #112	-	-	-	3,353
Charges For Services	-	600	127,980	189,641
Special Assessments	-	-	-	63,303
Other Revenues:				
Investment Earnings	-	1,852	-	13,224
Rents	-	-	-	-
Refunds And Reimbursements	-	-	-	-
Contributions And Donations	-	-	-	46,116
Miscellaneous	-	-	69,336	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>8,404</u>	<u>236,239</u>	<u>315,637</u>
<b>EXPENDITURES:</b>				
Current:				
Economic Development	-	-	168,001	-
Public Safety	-	-	-	-
Public Works	-	8,012	-	-
Parks, Recreation and Arts	-	-	-	47,216
Debt Service:				
Issuance Costs & Fiscal Agent Fees	-	-	-	-
Capital Outlay	-	-	-	244,198
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>8,012</u>	<u>168,001</u>	<u>291,414</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>392</u>	<u>68,238</u>	<u>24,223</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out	(16,218)	-	-	(38,900)
Bond Issuance	-	-	-	-
Premium on Bonds Issued	-	-	-	-
Sale of Capital Assets	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(16,218)</u>	<u>-</u>	<u>-</u>	<u>(38,900)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(16,218)	392	68,238	(14,677)
<b>FUND BALANCES (Deficit), January 1</b>	<u>16,218</u>	<u>151,683</u>	<u>(42,122)</u>	<u>1,050,951</u>
<b>FUND BALANCES (Deficit), December 31</b>	<u>\$ -</u>	<u>\$ 152,075</u>	<u>\$ 26,116</u>	<u>\$ 1,036,274</u>

<u>EQUIPMENT ACQUISITION</u>	<u>GRACE GIBSON</u>	<u>COMMUNITY LAND TRUST</u>	<u>TOTAL</u>
\$ 390,325	\$ -	\$ -	\$ 431,166
20,361	-	-	23,191
-	-	-	1,204
-	-	-	3,353
-	-	-	318,221
-	-	-	63,303
6,933	-	-	22,009
46,032	-	-	46,032
6,625	-	43,375	50,000
500	500	-	47,116
20	-	-	69,356
<u>470,796</u>	<u>500</u>	<u>43,375</u>	<u>1,074,951</u>
40	-	-	168,041
7,385	-	-	7,385
-	-	-	8,012
-	500	-	47,716
14,542	-	-	14,542
308,409	-	43,375	595,982
<u>330,376</u>	<u>500</u>	<u>43,375</u>	<u>841,678</u>
<u>140,420</u>	<u>-</u>	<u>-</u>	<u>233,273</u>
208,218	-	538	208,756
(393,156)	-	-	(448,274)
805,819	-	-	805,819
2,835	-	-	2,835
53,759	-	-	53,759
<u>677,475</u>	<u>-</u>	<u>538</u>	<u>622,895</u>
817,895	-	538	856,168
408,269	360	(538)	1,584,821
<u>\$ 1,226,164</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ 2,440,989</u>



CHASKA

Debt Service Funds are used to accumulate resources and to record payment of bonded debt principal and interest.

**Improvement Bond Funds**

These funds service debt on the general obligation improvement bonds that were issued to finance construction of public improvements. Special assessment improvements are paid for completely or in part by property owners deemed to be benefited from such improvements.

**Tax Increment Bond Funds**

These funds service debt on the tax increment bonds issued to finance economic development and redevelopment projects.

**Public Facilities Lease  
Revenue Bond Fund**

This fund services debt in the public facilities lease revenue bonds that are supported by lease payments received and pledged by the Chaska Economic Development Authority.

**EDA Lease Revenue Bond Fund**

This fund services debt on the school facility revenue bonds that are supported by lease payments received and pledged by the Chaska Economic Development Authority.

**Equipment Certificate Fund**

These funds service debt on the general obligation equipment certificates that were used to fund equipment purchases.

**EDA Public Facilities Revenue  
Bond Funds**

This fund services debt on the certificates of participation that were used to finance the City Hall and Municipal Services Building.

**CITY OF CHASKA, MINNESOTA**

**NONMAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2004**

	IMPROVEMENT BONDS	GO TAX INCREMENT BONDS	\$4,175,000 PUBLIC FACILITIES LEASE REVENUE BONDS OF 1995	EDA LEASE REVENUE BONDS OF 1999
<b><u>ASSETS</u></b>				
Cash And Investments	\$ 204,200	\$ 921,327	\$ -	\$ 2,039
Investments With Escrow Agent	-	2,395,610	-	804,627
Receivables:				
Special Assessments:				
Unremitted	1,319	9,697	-	-
Delinquent	710	13,639	-	-
Deferred:				
Certified To County	4,171,772	1,536,896	-	-
City Owned	-	464,673	-	-
Notes	288,718	-	-	-
Due From Other Governments	32,957	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 4,699,676</b>	<b>\$ 5,341,842</b>	<b>\$ -</b>	<b>\$ 806,666</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES:</b>				
Accounts Payable	\$ -	\$ 15,007	\$ -	\$ -
Deferred Revenue	4,461,200	2,011,293	-	-
<b>TOTAL LIABILITIES</b>	<b>4,461,200</b>	<b>2,026,300</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Reserved:				
Reserved For Refunding	-	2,395,600	-	-
Reserved For Debt Service	238,476	919,942	-	806,666
<b>TOTAL FUND BALANCES</b>	<b>238,476</b>	<b>3,315,542</b>	<b>-</b>	<b>806,666</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,699,676</b>	<b>\$ 5,341,842</b>	<b>\$ -</b>	<b>\$ 806,666</b>

<b>\$760,000 GO EQUIPMENT CERTIFICATES OF 2001</b>	<b>\$1,650,000, \$325,000 EDA PUBLIC FACILITIES REVENUE BONDS OF 2001 &amp; 2002</b>	<b>\$530,000 GO EQUIPMENT CERTIFICATES OF 2002</b>	<b>\$815,000 GO EQUIPMENT CERTIFICATES 2004</b>	<b>TOTALS</b>
\$ 10,550	\$ 292,878	\$ 15,849	\$ 49	\$ 1,446,892
-	-	-	-	3,200,237
-	-	-	-	11,016
-	-	-	-	14,349
-	-	-	-	5,708,668
-	-	-	-	464,673
-	-	-	-	288,718
-	-	-	-	32,957
<b>\$ 10,550</b>	<b>\$ 292,878</b>	<b>\$ 15,849</b>	<b>\$ 49</b>	<b>\$ 11,167,510</b>
\$ -	\$ -	\$ -	\$ -	\$ 15,007
-	-	-	-	6,472,493
-	-	-	-	6,487,500
-	-	-	-	2,395,600
<b>10,550</b>	<b>292,878</b>	<b>15,849</b>	<b>49</b>	<b>2,284,410</b>
<b>10,550</b>	<b>292,878</b>	<b>15,849</b>	<b>49</b>	<b>4,680,010</b>
<b>\$ 10,550</b>	<b>\$ 292,878</b>	<b>\$ 15,849</b>	<b>\$ 49</b>	<b>\$ 11,167,510</b>



CITY OF CHASKA, MINNESOTA

NONMAJOR DEBT SERVICE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	IMPROVEMENT BONDS	GO TAX INCREMENT BONDS	\$4,175,000 PUBLIC FACILITIES LEASE REVENUE BONDS OF 1995	EDA LEASE REVENUE BONDS OF 1999
<b>REVENUES:</b>				
Intergovernmental:				
State/County:				
Building Rent - Base Rent	\$ 10,000	\$ -	\$ 5,000	\$ -
Building Rent - Camera Rent	23,591	-	11,796	-
Local:				
ISD112 Lease Payment	-	-	-	526,652
Special Assessments	861,860	512,968	-	-
Other Revenue:				
Payments	47,251	-	-	-
Investment Earnings	7,965	110,147	8,021	7,202
Leases	-	-	-	-
<b>TOTAL REVENUES</b>	<b>950,667</b>	<b>623,115</b>	<b>24,817</b>	<b>533,854</b>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Administrative Fees	-	1,556	-	-
Debt Service:				
Principal	1,490,000	2,385,000	-	270,000
Interest	473,093	1,517,736	90,274	441,956
Refunding Contribution	-	-	386,900	-
Issuance Costs & Fiscal Agent Fees	-	62,049	54,406	-
<b>TOTAL EXPENDITURES</b>	<b>1,963,093</b>	<b>3,966,341</b>	<b>531,580</b>	<b>711,956</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,012,426)</b>	<b>(3,343,226)</b>	<b>(506,763)</b>	<b>(178,102)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	482,623	2,779,213	-	-
Transfers Out	-	(41,569)	(31,842)	-
Bonds Issued	36,088	120,131	-	-
Refunding Bonds Issued	-	2,470,000	2,780,000	-
Premium on Bonds Issued	-	12,948	-	-
Payment to Refunded Bond Escrow Agent	-	(6,242,152)	(2,728,100)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>518,711</b>	<b>(901,429)</b>	<b>20,058</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(493,715)</b>	<b>(4,244,655)</b>	<b>(486,705)</b>	<b>(178,102)</b>
<b>FUND BALANCES, January 1</b>	<b>732,191</b>	<b>7,560,197</b>	<b>486,705</b>	<b>984,768</b>
<b>FUND BALANCES, December 31</b>	<b>\$ 238,476</b>	<b>\$ 3,315,542</b>	<b>\$ -</b>	<b>\$ 806,666</b>

<u>\$760,000 GO EQUIPMENT CERTIFICATES OF 2001</u>	<u>\$1,650,000 &amp; \$325,000 EDA PUBLIC FACILITIES REVENUE BONDS OF 2001 &amp; 2002</u>	<u>\$530,000 GO EQUIPMENT CERTIFICATES OF 2002</u>	<u>\$815,000 GO EQUIPMENT CERTIFICATES 2004</u>	<u>TOTALS</u>
\$ -	\$ -	\$ -	\$ -	\$ 15,000
-	-	-	-	35,387
-	-	-	-	526,652
-	-	-	-	1,374,828
-	-	-	-	47,251
65	4,311	166	49	137,926
-	32,489	-	-	32,489
<u>65</u>	<u>36,800</u>	<u>166</u>	<u>49</u>	<u>2,169,533</u>
-	-	-	-	1,556
195,000	140,000	175,000	-	4,655,000
15,308	79,090	7,847	9,181	2,634,485
-	-	-	-	386,900
-	-	-	-	116,455
<u>210,308</u>	<u>219,090</u>	<u>182,847</u>	<u>9,181</u>	<u>7,794,396</u>
<u>(210,243)</u>	<u>(182,290)</u>	<u>(182,681)</u>	<u>(9,132)</u>	<u>(5,624,863)</u>
210,308	150,000	182,848	-	3,804,992
-	-	-	-	(73,411)
-	-	-	9,181	165,400
-	-	-	-	5,250,000
-	-	-	-	12,948
-	-	-	-	(8,970,252)
<u>210,308</u>	<u>150,000</u>	<u>182,848</u>	<u>9,181</u>	<u>189,677</u>
65	(32,290)	167	49	(5,435,186)
<u>10,485</u>	<u>325,168</u>	<u>15,682</u>	<u>-</u>	<u>10,115,196</u>
<u>\$ 10,550</u>	<u>\$ 292,878</u>	<u>\$ 15,849</u>	<u>\$ 49</u>	<u>\$ 4,680,010</u>

CITY OF CHASKA, MINNESOTA

DEBT SERVICE FUNDS - IMPROVEMENT BONDS  
 COMBINING BALANCE SHEET  
 DECEMBER 31, 2004

	\$7,565,000 GO IMPROVEMENT BONDS OF 2001	\$1,420,000 GO IMPROVEMENT CURRENT REFUNDING BONDS OF 2001	\$555,000 GO TAXABLE IMPROVEMENT BONDS OF 2002	\$455,000 GO IMPROVEMENT BONDS OF 2002	\$2,780,000 GO IMPROVEMENT CURRENT REFUNDING BONDS OF 2004	\$6,650,000 GO IMPROVEMENT BONDS OF 2004	TOTALS
<b><u>ASSETS</u></b>							
Cash And Investments	\$ 51,712	\$ 1,223	\$ 46,313	\$ 103,022	\$ 680	\$ 1,250	\$ 204,200
Receivables:							
Special Assessments:							
Unremitted	293	1,026	-	-	-	-	1,319
Delinquent	710	-	-	-	-	-	710
Deferred:							
Certified To County	1,144,964	335,054	409,533	35,146	-	2,247,075	4,171,772
Notes	288,718	-	-	-	-	-	288,718
Due From Other Governments	3,938	-	-	-	29,019	-	32,957
<b>TOTAL ASSETS</b>	<b>\$ 1,490,335</b>	<b>\$ 337,303</b>	<b>\$ 455,846</b>	<b>\$ 138,168</b>	<b>\$ 29,699</b>	<b>\$ 2,248,325</b>	<b>\$ 4,699,676</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>							
<b>LIABILITIES:</b>							
Deferred Revenue	\$ 1,434,392	\$ 335,054	\$ 409,533	\$ 35,146	\$ -	\$ 2,247,075	\$ 4,461,200
<b>FUND BALANCES:</b>							
Reserved For Debt Service	55,943	2,249	46,313	103,022	29,699	1,250	238,476
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,490,335</b>	<b>\$ 337,303</b>	<b>\$ 455,846</b>	<b>\$ 138,168</b>	<b>\$ 29,699</b>	<b>\$ 2,248,325</b>	<b>\$ 4,699,676</b>

CITY OF CHASKA, MINNESOTA

DEBT SERVICE FUNDS - IMPROVEMENT BONDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	\$7,565,000 GO IMPROVEMENT BONDS OF 2001	\$1,420,000 GO IMPROVEMENT CURRENT REFUNDING BONDS OF 2001	\$555,000 GO TAXABLE IMPROVEMENT BONDS OF 2002	\$455,000 GO IMPROVEMENT BONDS OF 2002	\$2,780,000 GO IMPROVEMENT CURRENT REFUNDING BONDS OF 2004	\$6,650,000 GO IMPROVEMENT BONDS OF 2004	TOTALS
<b>REVENUES:</b>							
Intergovernmental:							
State/County:							
Building Rent - Base Rent	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000
Building Rent - Camera Rent	-	-	-	-	23,591	-	23,591
Special Assessments	560,471	138,268	108,920	5,664	-	48,537	861,860
Other Revenue:							
Payments	47,251	-	-	-	-	-	47,251
Investment Earnings	7,088	223	404	-	-	250	7,965
<b>TOTAL REVENUES</b>	<b>614,810</b>	<b>138,491</b>	<b>109,324</b>	<b>5,664</b>	<b>33,591</b>	<b>48,787</b>	<b>950,667</b>
<b>EXPENDITURES:</b>							
Debt Service:							
Principal	1,000,000	250,000	60,000	50,000	130,000	-	1,490,000
Interest	268,500	30,175	20,390	11,410	56,734	85,884	473,093
<b>TOTAL EXPENDITURES</b>	<b>1,268,500</b>	<b>280,175</b>	<b>80,390</b>	<b>61,410</b>	<b>186,734</b>	<b>85,884</b>	<b>1,963,093</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(653,690)</b>	<b>(141,684)</b>	<b>28,934</b>	<b>(55,746)</b>	<b>(153,143)</b>	<b>(37,097)</b>	<b>(1,012,426)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers In	-	139,022	-	158,500	182,842	2,259	482,623
Bonds Issued	-	-	-	-	-	36,088	36,088
<b>TOTAL OTHER FINANCING   SOURCES (USES)</b>	<b>-</b>	<b>139,022</b>	<b>-</b>	<b>158,500</b>	<b>182,842</b>	<b>38,347</b>	<b>518,711</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(653,690)</b>	<b>(2,662)</b>	<b>28,934</b>	<b>102,754</b>	<b>29,699</b>	<b>1,250</b>	<b>(493,715)</b>
<b>FUND BALANCES, January 1</b>	<b>709,633</b>	<b>4,911</b>	<b>17,379</b>	<b>268</b>	<b>-</b>	<b>-</b>	<b>732,191</b>
<b>FUND BALANCES, December 31</b>	<b>\$ 55,943</b>	<b>\$ 2,249</b>	<b>\$ 46,313</b>	<b>\$ 103,022</b>	<b>\$ 29,699</b>	<b>\$ 1,250</b>	<b>\$ 238,476</b>

CITY OF CHASKA, MINNESOTA

DEBT SERVICE FUNDS - GO TAX INCREMENT BONDS  
 COMBINING BALANCE SHEET  
 DECEMBER 31, 2004

	\$4,510,000 GO TI BONDS OF 1998	\$12,120,000 GO TI BONDS OF 1999	\$670,000 GO TI BONDS OF 1999	\$5,075,000 GO TI X-OVER ADV REF BONDS OF 1999	\$4,675,000 GO TI BONDS OF 2000
<b>ASSETS</b>					
Cash And Investments	\$ 176,942	\$ 75	\$ 896	\$ 1,256	\$ 604,844
Investments With Escrow Agent	2,395,600	-	-	-	-
Receivables:					
Special Assessments:					
Unremitted	-	-	-	-	1,075
Delinquent	492	-	-	162	898
Deferred:					
Certified To County	170,323	-	-	25,307	949,277
City Owned	-	-	-	8,754	-
<b>TOTAL ASSETS</b>	<b>\$ 2,743,357</b>	<b>\$ 75</b>	<b>\$ 896</b>	<b>\$ 35,479</b>	<b>\$ 1,556,094</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 15,007
Deferred Revenue	170,815	-	-	34,223	946,260
<b>TOTAL LIABILITIES</b>	<b>170,815</b>	<b>-</b>	<b>-</b>	<b>34,223</b>	<b>961,267</b>
<b>FUND BALANCES:</b>					
Reserved:					
Reserved For Refunding	2,395,600	-	-	-	-
Reserved For Debt Service	176,942	75	896	1,256	594,827
<b>TOTAL FUND BALANCES</b>	<b>2,572,542</b>	<b>75</b>	<b>896</b>	<b>1,256</b>	<b>594,827</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,743,357</b>	<b>\$ 75</b>	<b>\$ 896</b>	<b>\$ 35,479</b>	<b>\$ 1,556,094</b>

<u>\$1,140,000</u> <u>GO TAXABLE</u> <u>TI BONDS OF</u> <u>OF</u> <u>2000</u>	<u>\$2,220,000</u> <u>GO TAXABLE</u> <u>TI CURRENT</u> <u>REFUNDING</u> <u>BONDS OF</u> <u>2001</u>	<u>\$3,550,000</u> <u>GO TI CROSSOVER</u> <u>REFUNDING</u> <u>BONDS OF</u> <u>2002</u>	<u>\$1,555,000</u> <u>GO TAXABLE</u> <u>TI CROSSOVER</u> <u>REFUNDING BONDS</u> <u>OF 2002</u>	<u>\$6,220,000</u> <u>GO TI</u> <u>CROSSOVER</u> <u>REFUNDING BONDS</u> <u>OF 2003</u>	<u>\$890,000</u> <u>GO TAXABLE</u> <u>TI BONDS OF</u> <u>OF</u> <u>2004</u>	<u>\$2,470,000</u> <u>GO TAXABLE</u> <u>TI CROSSOVER</u> <u>REFUNDING BONDS</u> <u>OF 2004</u>	<u>TOTALS</u>
\$ 805	\$ 872	\$ 21,837	\$ 900	\$ 3,596	\$ 99,436	\$ 9,868	\$ 921,327
-	-	-	-	10	-	-	2,395,610
-	-	-	-	8,622	-	-	9,697
-	-	-	-	12,087	-	-	13,639
-	-	-	-	391,989	-	-	1,536,896
-	-	-	-	455,919	-	-	464,673
<u>\$ 805</u>	<u>\$ 872</u>	<u>\$ 21,837</u>	<u>\$ 900</u>	<u>\$ 872,223</u>	<u>\$ 99,436</u>	<u>\$ 9,868</u>	<u>\$ 5,341,842</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,007
-	-	-	-	859,995	-	-	2,011,293
-	-	-	-	859,995	-	-	2,026,300
-	-	-	-	-	-	-	2,395,600
805	872	21,837	900	12,228	99,436	9,868	919,942
805	872	21,837	900	12,228	99,436	9,868	3,315,542
<u>\$ 805</u>	<u>\$ 872</u>	<u>\$ 21,837</u>	<u>\$ 900</u>	<u>\$ 872,223</u>	<u>\$ 99,436</u>	<u>\$ 9,868</u>	<u>\$ 5,341,842</u>

CITY OF CHASKA, MINNESOTA

DEBT SERVICE FUNDS - GO TAX INCREMENT BONDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	\$4,510,000	\$12,120,000	\$670,000	\$5,075,000	\$4,675,000
	GO TI BONDS OF 1998	GO TI BONDS OF 1999	GO TI BONDS OF 1999	GO TI X-OVER ADV REF BONDS OF 1999	GO TI BONDS OF 2000
<b>REVENUES:</b>					
Special Assessments	\$ 80,612	\$ -	\$ -	\$ 21,348	\$ 402,387
Other:					
Investment Earnings	29,519	-	-	228	8,834
<b>TOTAL REVENUES</b>	<b>110,131</b>	<b>-</b>	<b>-</b>	<b>21,576</b>	<b>411,221</b>
<b>EXPENDITURES:</b>					
Current:					
General Government:					
Administrative Fees	-	925	105	-	-
Debt Service:					
Principal	330,000	-	-	1,200,000	200,000
Interest	135,355	499,180	38,807	46,200	223,575
Issuance Costs & Fiscal Agent Fees	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>465,355</b>	<b>500,105</b>	<b>38,912</b>	<b>1,246,200</b>	<b>423,575</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(355,224)</b>	<b>(500,105)</b>	<b>(38,912)</b>	<b>(1,224,624)</b>	<b>(12,354)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	144,304	499,180	38,808	1,193,931	-
Transfers Out	(41,569)	-	-	-	-
Bonds Issued	-	-	-	-	-
Refunding Bonds Issued	2,400,406	-	-	-	-
Premium on Bonds Issued	12,948	-	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,516,089</b>	<b>499,180</b>	<b>38,808</b>	<b>1,193,931</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>2,160,865</b>	<b>(925)</b>	<b>(104)</b>	<b>(30,693)</b>	<b>(12,354)</b>
FUND BALANCES, January 1	411,677	1,000	1,000	31,949	607,181
<b>FUND BALANCES, December 31</b>	<b>\$ 2,572,542</b>	<b>\$ 75</b>	<b>\$ 896</b>	<b>\$ 1,256</b>	<b>\$ 594,827</b>

<u>\$1,140,000</u> GO TAXABLE TI BONDS OF OF 2000	<u>\$2,220,000</u> GO TAXABLE TI CURRENT REFUNDING BONDS OF 2001	<u>\$3,550,000</u> GO TI CROSSOVER REFUNDING BONDS OF 2002	<u>\$1,555,000</u> GO TAXABLE TI CURRENT REFUNDING BONDS OF 2002	<u>\$6,220,000</u> GO TI CROSSOVER REFUNDING BONDS OF 2003	<u>\$890,000</u> GO TAXABLE TI BONDS OF OF 2004	<u>\$2,470,000</u> GO TAXABLE TI CROSSOVER REFUNDING BONDS OF 2004	<u>TOTALS</u>
\$ -	\$ -	\$ -	\$ -	\$ 8,621	\$ -	\$ -	\$ 512,968
-	-	1,145	-	69,541	811	69	110,147
-	-	1,145	-	78,162	811	69	623,115
195	233	-	98	-	-	-	1,556
105,000	400,000	-	150,000	-	-	-	2,385,000
68,300	75,200	126,625	57,073	186,600	21,506	39,315	1,517,736
-	-	-	-	-	-	62,049	62,049
173,495	475,433	126,625	207,171	186,600	21,506	101,364	3,966,341
(173,495)	(475,433)	(125,480)	(207,171)	(108,438)	(20,695)	(101,295)	(3,343,226)
173,300	476,200	11,055	200,866	-	-	41,569	2,779,213
-	-	-	-	-	-	-	(41,569)
-	-	-	-	-	120,131	-	120,131
-	-	-	-	-	-	69,594	2,470,000
-	-	-	-	-	-	-	12,948
-	-	-	-	(6,242,152)	-	-	(6,242,152)
173,300	476,200	11,055	200,866	(6,242,152)	120,131	111,163	(901,429)
(195)	767	(114,425)	(6,305)	(6,350,590)	99,436	9,868	(4,244,655)
1,000	105	136,262	7,205	6,362,818	-	-	7,560,197
<u>\$ 805</u>	<u>\$ 872</u>	<u>\$ 21,837</u>	<u>\$ 900</u>	<u>\$ 12,228</u>	<u>\$ 99,436</u>	<u>\$ 9,868</u>	<u>\$ 3,315,542</u>



Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

<b>Tax Increment Funds</b>	This fund receives revenue from general property taxes in the form of tax increment. These revenues are used by the Chaska Economic Development Authority to promote industrial development via providing financing aids to developers.
<b>Special Assessments Funds</b>	This fund is used for the construction of improvements and assessment collections from properties benefiting from the improvements.
<b>Major Road Construction Fund</b>	This fund is used to account for the City's allocation of the State collected highway user tax for Minnesota State Aid (MSA) designated road construction.
<b>Permanent Improvement Revolving Funds</b>	These funds are used to collect the building permit revenues charged for the purpose of construction of the City's water, sewer and storm sewer systems. Three separate funds are shown: a Water Fund, a Sewer Fund, and a Storm Water Fund.
<b>Storm Sewer Area Fund</b>	This fund is used to collect the building permit revenues charged for the purpose of construction and maintenance of the City's storm sewer system.
<b>Highway 212 R.A.L.F. Loan Fund</b>	This fund is used to account for acquisitions for the new Highway 212 funded by the Metropolitan Council Right-Of-Way Acquisition Loan Fund (R.A.L.F.)
<b>Public Facilities Capital Improvement Fund</b>	This fund is used to account for sources to be used to finance future capital facility construction and improvements to existing City facilities.

(Continued)

(Continued)

<b>Capital Improvement Loan Fund</b>	This fund is used to accumulate grant and loan payment proceeds.
<b>Highway 41 Improvement Fund</b>	This fund is used to account for right-of-way acquisitions for the Highway 41 upgrading.
<b>Fire Protection Systems Fund</b>	This fund is used to account for receipts and expenditures for the fire protection systems.
<b>Improvement Revolving Fund</b>	This fund is used to fund un-bonded improvement projects.
<b>EDA Lease Revenue Bond Projects Fund</b>	This fund is used to account for two EDA capital project agreements.
<b>1997 Highway 41 Upgrading Fund</b>	This fund is used to account for the receipts and expenditures for the upgrading of Highway 41.
<b>2003 Highway 312 Improvements</b>	This fund is used to account for the receipts and expenditures for Highway 312.

CITY OF CHASKA, MINNESOTA

NONMAJOR CAPITAL PROJECT FUNDS  
 COMBINING BALANCE SHEET  
 DECEMBER 31, 2004

	TAX INCREMENT	SPECIAL ASSESSMENTS	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	STORM SEWER AREA	HWY. 212 RALF LOANS	PUBLIC FACILITIES CAPITAL IMPROVEMENT	CAPITAL IMPROVEMENT LOANS
<b>ASSETS</b>									
Cash And Investments	\$ 655,396	\$ 31,764	\$ 1,621,803	\$ 876,454	\$ 920,863	\$ 2,215,951	\$ 629,333	\$ -	\$ 159,871
Receivables:									
Taxes:									
Unremitted	413	-	-	-	-	-	-	-	-
Special Assessments:									
Unremitted	-	-	-	3,040	1,739	2,091	-	-	-
Delinquent	2,746	-	-	2,192	807	3,134	-	-	-
Deferred:									
Certified To County	710,939	-	-	186,855	125,208	291,349	-	-	-
City Owned	32,945	15,734	-	-	-	-	-	-	-
Accounts:									
Current	14,062	-	-	-	-	-	-	-	-
Interest	-	-	2,374	8,074	3,377	4,016	-	-	-
Notes	332,000	-	-	-	-	-	-	-	46,148
Due From Other Funds	2,532,038	-	-	4,942,289	1,000,000	283,025	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	189,355	-	189,355	-
Advance To Other Funds	-	-	-	-	-	501,789	-	501,789	-
Land Held For Resale	1,323,009	-	-	-	-	-	1,893,394	-	-
<b>TOTAL ASSETS</b>	<b>\$ 5,603,548</b>	<b>\$ 47,498</b>	<b>\$ 1,624,177</b>	<b>\$ 6,018,904</b>	<b>\$ 2,051,994</b>	<b>\$ 3,490,710</b>	<b>\$ 2,522,727</b>	<b>\$ 691,144</b>	<b>\$ 206,019</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES:</b>									
Accounts Payable	\$ 14,653	\$ 2,035	\$ -	\$ 3,576	\$ 410	\$ 49,018	\$ -	\$ 1,310	\$ -
Contracts Payable	5,175	8,516	-	5,000	17,233	3,962	-	-	-
Due To Other Funds	703,872	1,942,289	-	-	-	-	-	169,374	-
Interfund Payable	1,751,902	-	-	-	-	-	-	209,355	-
Deferred and Unearned Revenue	1,078,630	16,761	-	187,848	126,186	294,483	2,500,000	-	46,148
Advance From Other Funds	152,031	-	-	-	-	-	-	556,789	-
<b>TOTAL LIABILITIES</b>	<b>3,706,263</b>	<b>1,969,601</b>	<b>-</b>	<b>196,424</b>	<b>143,829</b>	<b>347,463</b>	<b>2,500,000</b>	<b>936,828</b>	<b>46,148</b>
<b>FUND BALANCES:</b>									
<b>Reserved:</b>									
Reserved For Advance To Other Funds	-	-	-	-	-	501,789	-	501,789	-
Reserved For Construction	2,344,588	21,213	1,624,177	5,822,480	1,908,165	2,641,458	22,727	-	159,871
Reserved For Redevelopment	1,323,009	-	-	-	-	-	-	-	-
<b>Unreserved:</b>									
Undesignated	(1,770,312)	(1,943,316)	-	-	-	-	-	(747,473)	-
<b>TOTAL FUND BALANCES</b>	<b>1,897,285</b>	<b>(1,922,103)</b>	<b>1,624,177</b>	<b>5,822,480</b>	<b>1,908,165</b>	<b>3,143,247</b>	<b>22,727</b>	<b>(245,684)</b>	<b>159,871</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,603,548</b>	<b>\$ 47,498</b>	<b>\$ 1,624,177</b>	<b>\$ 6,018,904</b>	<b>\$ 2,051,994</b>	<b>\$ 3,490,710</b>	<b>\$ 2,522,727</b>	<b>\$ 691,144</b>	<b>\$ 206,019</b>

(Continued)

HWY. 41 IMPROVEMENT	PERMANENT IMPROVEMENT REVOLVING/ STORM/WATER	FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING	EDA LEASE REVENUE BOND PROJECTS	1997 HWY 41 UPGRADE	HWY 312 IMPROVEMENTS	TOTALS	
\$ -	\$ 578,759	\$ 75,385	\$ 1,059,661	\$ -	\$ 35,061	\$ -	\$ 8,860,301	<b>ASSETS</b>
-	-	-	-	-	-	-	413	Cash And Investments
-	444	-	-	-	-	-	7,314	Receivables:
-	600	-	81	-	-	-	9,560	Taxes:
-	82,411	112,970	23,994	-	-	-	1,533,726	Unremitted
-	-	-	-	-	-	-	48,679	Special Assessments:
-	-	-	-	-	-	-	14,062	Unremitted
1,729	-	-	1,532	-	5,533	-	26,635	Delinquent
1,174,644	-	-	-	-	5,000,915	-	14,932,911	Deferred:
-	-	-	-	-	1,437,417	-	1,437,417	Certified To County
-	-	-	-	-	-	-	378,148	City Owned
-	-	-	-	-	-	-	378,710	Accounts:
-	-	-	-	-	-	-	1,003,578	Current
-	-	-	-	-	-	-	3,216,403	Interest
\$ 1,176,373	\$ 662,214	\$ 188,355	\$ 1,085,268	\$ -	\$ 6,478,926	\$ -	\$ 31,847,857	Notes
								Due From Other Funds
								Due From Other Governments
								Interfund Receivable
								Advance To Other Funds
								Land Held For Resale
								<b>TOTAL ASSETS</b>
								<b>LIABILITIES AND FUND BALANCES</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,924	\$ 34	\$ 72,960	<b>LIABILITIES:</b>
-	-	-	-	-	29,279	-	69,165	Accounts Payable
-	-	-	-	-	-	915	2,816,450	Contracts Payable
-	-	-	-	-	-	-	1,961,257	Due To Other Funds
-	83,011	112,970	24,075	-	-	-	4,470,112	Interfund Payable
-	-	-	-	-	-	-	708,820	Deferred and Unearned Revenue
-	-	-	-	-	-	-	-	Advance From Other Funds
-	83,011	112,970	24,075	-	31,203	949	10,098,764	<b>TOTAL LIABILITIES</b>
-	-	-	-	-	-	-	1,003,578	<b>FUND BALANCES:</b>
1,176,373	579,203	75,385	1,061,193	-	6,447,723	-	23,884,556	Reserved:
-	-	-	-	-	-	-	1,323,009	Reserved For Advance To Other Funds
-	-	-	-	-	-	-	-	Reserved For Construction
-	-	-	-	-	-	-	-	Reserved For Redevelopment
-	-	-	-	-	-	(949)	(4,462,050)	Unreserved:
1,176,373	579,203	75,385	1,061,193	-	6,447,723	(949)	21,749,093	Undesignated
\$ 1,176,373	\$ 662,214	\$ 188,355	\$ 1,085,268	\$ -	\$ 6,478,926	\$ -	\$ 31,847,857	<b>TOTAL FUND BALANCES</b>
								<b>TOTAL LIABILITIES AND FUND BALANCES</b>

CITY OF CHASKA, MINNESOTA

NONMAJOR CAPITAL PROJECT FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	TAX INCREMENT	SPECIAL ASSESSMENTS	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	STORM SEWER AREA	HWY. 212 RALF LOANS	PUBLIC FACILITIES CAPITAL IMPROVEMENT	CAPITAL IMPROVEMENT LOANS
<b>REVENUES:</b>									
General Property Taxes:									
Tax Increment	\$ 68,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:									
State:									
Municipal State Aid	-	-	450,424	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Local:									
Other	-	-	-	-	-	-	-	-	-
Acreage And Connection Charges	-	-	-	1,556,222	143,940	13,537	-	-	-
Special Assessments	701	-	-	70,783	51,724	164,564	-	-	-
Other Revenues:									
Payments	-	-	-	-	-	-	-	-	11,336
Investment Earnings	36,523	8,529	21,667	76,726	28,214	75,448	-	71,963	1,848
Miscellaneous	14,694	98,710	-	-	-	-	1,200	38,251	-
<b>TOTAL REVENUES</b>	<b>120,314</b>	<b>107,239</b>	<b>472,091</b>	<b>1,703,731</b>	<b>223,878</b>	<b>253,549</b>	<b>1,200</b>	<b>110,214</b>	<b>13,184</b>
<b>EXPENDITURES:</b>									
Current:									
General Government:									
Administrative Fees	857	32,516	-	533	282	1,288	-	1,980	-
Professional Services	-	-	-	-	-	-	-	6,348	-
Miscellaneous	-	-	-	-	-	-	-	419	-
Economic Development:									
Professional Services	152,590	-	-	-	-	-	-	-	-
Miscellaneous	73,820	-	-	-	-	-	-	-	-
Public Safety:									
Miscellaneous	-	-	-	-	-	-	-	-	-
Public Works:									
Professional Services	-	215,695	-	29,051	22,398	130,459	-	-	-
Miscellaneous	-	200,000	-	-	-	-	-	-	-
Debt Service:									
Interest	82,190	-	-	-	-	-	-	46,122	-
Issuance Costs	27,423	-	-	-	-	-	-	-	-
Capital Outlay:									
Land Purchase/Land Writedowns	41,016	-	-	-	-	-	-	-	-
System Improvements:									
General	1,672	68	-	-	-	1,980	-	162	-
Building And Structures	-	-	-	-	-	-	-	49,586	-
Water	-	-	-	139,606	-	-	-	-	-
Sanitary Sewer	-	-	-	-	6,320	-	-	-	-
Street	-	154,044	-	-	-	-	-	-	-
Storm Sewer	-	-	-	-	-	15,287	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>379,568</b>	<b>602,323</b>	<b>-</b>	<b>169,190</b>	<b>29,000</b>	<b>149,014</b>	<b>-</b>	<b>104,617</b>	<b>-</b>

(Continued)

NONMAJOR CAPITAL PROJECT FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	TAX INCREMENT	SPECIAL ASSESSMENTS	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	STORM SEWER AREA	HWY. 212 RALF LOANS	PUBLIC FACILITIES CAPITAL IMPROVEMENT	CAPITAL IMPROVEMENT LOANS
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (259,254)	\$ (495,084)	\$ 472,091	\$ 1,534,541	\$ 194,878	\$ 104,535	\$ 1,200	\$ 5,597	\$ 13,184
OTHER FINANCING SOURCES (USES):									
Transfers Out	(237)	-	(139,797)	(1,172,066)	(920,409)	(778,622)	-	-	-
Bonds Issued	769,869	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	769,632	-	(139,797)	(1,172,066)	(920,409)	(778,622)	-	-	-
NET CHANGE IN FUND BALANCES	510,378	(495,084)	332,294	362,475	(725,531)	(674,087)	1,200	5,597	13,184
FUND BALANCES, January 1	1,386,907	(1,427,019)	1,291,883	5,460,005	2,633,696	3,817,334	21,527	(251,281)	146,687
FUND BALANCES, December 31	\$ 1,897,285	\$ (1,922,103)	\$ 1,624,177	\$ 5,822,480	\$ 1,908,165	\$ 3,143,247	\$ 22,727	\$ (245,684)	\$ 159,871

HWY. 41 IMPROVEMENT	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING	EDA LEASE REVENUE BOND PROJECTS	1997 HWY 41 UPGRADE	HWY 312 IMPROVEMENTS	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,396
-	-	-	-	-	-	-	450,424
-	-	-	-	-	35,000	-	35,000
-	-	-	-	180,435	-	-	180,435
-	14,774	-	-	-	-	-	1,728,473
-	50,086	-	28,209	-	-	-	366,067
-	-	-	-	-	-	-	11,336
14,760	6,479	2,002	13,073	-	50,494	-	407,726
-	-	-	-	-	-	-	152,855
<u>14,760</u>	<u>71,339</u>	<u>2,002</u>	<u>41,282</u>	<u>180,435</u>	<u>85,494</u>	<u>-</u>	<u>3,400,712</u>
-	382	1,925	-	-	-	11	39,774
-	-	-	-	-	-	-	6,348
-	-	-	-	-	-	-	419
-	-	-	-	-	-	-	152,590
-	-	-	-	-	-	-	73,820
-	-	106,000	-	-	-	-	106,000
-	-	-	-	-	28,291	34	425,928
-	-	-	-	-	-	-	200,000
-	-	-	-	-	-	-	128,312
-	-	-	-	-	-	-	27,423
-	-	-	-	-	-	-	41,016
-	-	-	-	-	29,501	-	33,383
-	-	-	-	-	-	-	49,586
-	-	-	-	-	-	-	139,606
-	-	-	-	-	-	-	6,320
-	-	-	-	-	7,892	-	161,936
-	-	-	-	-	-	-	15,287
<u>-</u>	<u>382</u>	<u>107,925</u>	<u>-</u>	<u>-</u>	<u>65,684</u>	<u>45</u>	<u>1,607,748</u>

REVENUES:

General Property Taxes:
Tax Increment
Intergovernmental:
State:
Municipal State Aid
Other
Local:
Other
Acreage And Connection Charges
Special Assessments
Other Revenues:
Payments
Investment Earnings
Miscellaneous

TOTAL REVENUES

EXPENDITURES:

Current:
General Government:
Administrative Fees
Professional Services
Miscellaneous
Economic Development:
Professional Services
Miscellaneous
Public Safety:
Miscellaneous
Public Works:
Professional Services
Miscellaneous
Debt Service:
Interest
Issuance Costs
Capital Outlay:
Land Purchase/Land Writedowns
System Improvements:
General
Building And Structures
Water
Sanitary Sewer
Street
Storm Sewer

TOTAL EXPENDITURES

(Continued)

<u>HWY. 41 IMPROVEMENT</u>	<u>PERMANENT IMPROVEMENT REVOLVING/ STORM WATER</u>	<u>FIRE PROTECTION SYSTEMS</u>	<u>IMPROVEMENT REVOLVING</u>	<u>EDA LEASE REVENUE PROJECTS</u>	<u>1997 HWY 41 UPGRADED</u>	<u>HWY 312 IMPROVEMENTS</u>	<u>TOTALS</u>	
\$ 14,760	\$ 70,957	\$ (105,923)	\$ 41,282	\$ 180,435	\$ 19,810	\$ (45)	\$ 1,792,964	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
-	-	(158,500)	-	-	(442,360)	-	(3,611,991)	OTHER FINANCING SOURCES (USES):
-	-	-	-	-	-	-	769,869	Transfers Out
-	-	(158,500)	-	-	(442,360)	-	(2,842,122)	Bonds Issued
14,760	70,957	(264,423)	41,282	180,435	(422,550)	(45)	(1,049,158)	TOTAL OTHER FINANCING SOURCES (USES)
1,161,613	508,246	339,808	1,019,911	(180,435)	6,870,273	(904)	22,798,251	NET CHANGE IN FUND BALANCES
\$ 1,176,373	\$ 579,203	\$ 75,385	\$ 1,061,193	\$ -	\$ 6,447,723	\$ (949)	\$ 21,749,093	FUND BALANCES, January 1
								FUND BALANCES, December 31



CITY OF CHASKA, MINNESOTA

CAPITAL PROJECT FUNDS - TAX INCREMENT  
 COMBINING BALANCE SHEET  
 DECEMBER 31, 2004

	DIST #4 FLOOD CONTROL IMPROVEMENT PROJECT	DIST #4 1994 WRITEDOWNS	DIST #4 WRITEDOWNS	DIST #9 FMG	DIST #10 NORDIC TRACK	DIST #4 1995 WRITEDOWNS	DIST #4 1995 SERIES A REVOLVING FUND
<b>ASSETS</b>							
Cash And Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:							
Taxes:							
Unremitted	-	-	-	-	-	-	-
Special Assessments:							
Delinquent	1,233	-	-	-	-	-	-
Deferred:							
Certified To County	-	710,329	-	-	-	-	-
City Owned	32,945	-	-	-	-	-	-
Accounts:							
Current	-	-	-	-	-	-	-
Other:							
Notes	-	-	112,000	-	-	-	-
Due From Other Funds	158,517	12,538	811,071	327,950	28,037	576,713	376,777
Land Held For Resale	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 192,695</b>	<b>\$ 722,867</b>	<b>\$ 923,071</b>	<b>\$ 327,950</b>	<b>\$ 28,037</b>	<b>\$ 576,713</b>	<b>\$ 376,777</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts Payable	-	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	-	-	-
Interfund Payable	-	-	-	-	35,698	-	-
Deferred Revenue	34,178	710,329	112,000	-	-	-	-
Advance From Other Funds	-	-	-	-	152,031	-	-
<b>TOTAL LIABILITIES</b>	<b>34,178</b>	<b>710,329</b>	<b>112,000</b>	<b>-</b>	<b>187,729</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>							
<b>Reserved:</b>							
Reserved For Construction	-	12,538	811,071	327,950	-	576,713	376,777
Reserved For Redevelopment	-	-	-	-	-	-	-
Unreserved, Undesignated	158,517	-	-	-	(159,692)	-	-
<b>TOTAL FUND BALANCES</b>	<b>158,517</b>	<b>12,538</b>	<b>811,071</b>	<b>327,950</b>	<b>(159,692)</b>	<b>576,713</b>	<b>376,777</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 192,695</b>	<b>\$ 722,867</b>	<b>\$ 923,071</b>	<b>\$ 327,950</b>	<b>\$ 28,037</b>	<b>\$ 576,713</b>	<b>\$ 376,777</b>

DIST #4 BRICKYARD REDEVELOPMENT	REDEVELOPMENT PLAN NO. 4 NON-TIF DISTRICT PROJECTS	DIST #4 1999 TAXABLE WRITEDOWNS	DIST # 12 CLOVER FIELDS	DIST # 13 NORTH MEADOWS	DIST #14 DOWNTOWN REDEVELOPMENT	DIST #15 CHAMBER REDEVELOPMENT	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655,396	\$ -	\$ 655,396
-	-	-	413	-	-	-	413
-	-	1,513	-	-	-	-	2,746
-	-	610	-	-	-	-	710,939
-	-	-	-	-	-	-	32,945
14,062	-	-	-	-	-	-	14,062
190,000	-	-	30,000	-	-	-	332,000
236,891	-	-	-	-	3,544	-	2,532,038
-	-	-	-	-	1,323,009	-	1,323,009
<u>\$ 440,953</u>	<u>\$ -</u>	<u>\$ 2,123</u>	<u>\$ 30,413</u>	<u>\$ -</u>	<u>\$ 1,981,949</u>	<u>\$ -</u>	<u>\$ 5,603,548</u>

**ASSETS**

Cash And Investments	
Receivables:	
Taxes:	
Unremitted	
Special Assessments:	
Delinquent	
Deferred:	
Certified To County	
City Owned	
Accounts:	
Current	
Other:	
Notes	
Due From Other Funds	
Land Held For Resale	
<b>TOTAL ASSETS</b>	

**LIABILITIES AND FUND BALANCES**

\$ 6,239	\$ -	\$ -	\$ -	\$ -	\$ 8,414	\$ -	\$ 14,653
5,175	-	-	-	-	-	-	5,175
-	404,989	231,894	57,875	5,570	-	3,544	703,872
-	-	-	-	-	1,716,204	-	1,751,902
190,000	-	2,123	30,000	-	-	-	1,078,630
-	-	-	-	-	-	-	152,031
<u>201,414</u>	<u>404,989</u>	<u>234,017</u>	<u>87,875</u>	<u>5,570</u>	<u>1,724,618</u>	<u>3,544</u>	<u>3,706,263</u>
239,539	-	-	-	-	-	-	2,344,588
-	-	-	-	-	1,323,009	-	1,323,009
-	(404,989)	(231,894)	(57,462)	(5,570)	(1,065,678)	(3,544)	(1,770,312)
<u>239,539</u>	<u>(404,989)</u>	<u>(231,894)</u>	<u>(57,462)</u>	<u>(5,570)</u>	<u>257,331</u>	<u>(3,544)</u>	<u>1,897,285</u>
<u>\$ 440,953</u>	<u>\$ -</u>	<u>\$ 2,123</u>	<u>\$ 30,413</u>	<u>\$ -</u>	<u>\$ 1,981,949</u>	<u>\$ -</u>	<u>\$ 5,603,548</u>

<b>LIABILITIES:</b>	
Accounts Payable	
Contracts Payable	
Due To Other Funds	
Interfund Payable	
Deferred Revenue	
Advance From Other Funds	
<b>TOTAL LIABILITIES</b>	

<b>FUND BALANCES:</b>	
Reserved:	
Reserved For Construction	
Reserved For Redevelopment	
Unreserved, Undesignated	
<b>TOTAL FUND BALANCES</b>	

<b>TOTAL LIABILITIES AND FUND BALANCES</b>	
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CITY OF CHASKA, MINNESOTA

CAPITAL PROJECT FUNDS - TAX INCREMENT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	DIST #4 FLOOD CONTROL IMPROVEMENT PROJECT	DIST #4 1994 WRITEDOWNS	DIST #4 WRITEDOWNS	DIST #9 FMG	DIST #10 NORDIC TRACK	DIST #4 1995 WRITEDOWNS	DIST #4 1995 SERIES A REVOLVING FUND
<b>REVENUES:</b>							
General Property Taxes:							
Tax Increment, Current	\$ -	\$ -	\$ -	\$ 35,496	\$ -	\$ -	\$ -
Intergovernmental:							
State:							
Special Assessments	701	-	-	-	-	-	-
Other Revenues:							
Investment Earnings	1,891	150	9,699	3,640	540	6,899	4,507
Miscellaneous	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>2,592</b>	<b>150</b>	<b>9,699</b>	<b>39,136</b>	<b>540</b>	<b>6,899</b>	<b>4,507</b>
<b>EXPENDITURES:</b>							
Current:							
General Government:							
Administrative Fees	-	-	-	-	-	-	-
Economic Development:							
Professional Services	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Debt Service:							
Interest	-	-	-	-	18,592	-	-
Issuance Costs	-	-	-	-	-	-	-
Capital Outlay:							
Land Purchase / Land Writedowns	-	-	-	-	-	-	-
System Improvements:							
General	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,592</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,592</b>	<b>150</b>	<b>9,699</b>	<b>39,136</b>	<b>(18,052)</b>	<b>6,899</b>	<b>4,507</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers Out	-	-	-	-	-	-	-
Bonds Issued	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,592</b>	<b>150</b>	<b>9,699</b>	<b>39,136</b>	<b>(18,052)</b>	<b>6,899</b>	<b>4,507</b>
<b>FUND BALANCES, January 1</b>	<b>155,925</b>	<b>12,388</b>	<b>801,372</b>	<b>288,814</b>	<b>(141,640)</b>	<b>569,814</b>	<b>372,270</b>
<b>FUND BALANCES, December 31</b>	<b>\$ 158,517</b>	<b>\$ 12,538</b>	<b>\$ 811,071</b>	<b>\$ 327,950</b>	<b>\$ (159,692)</b>	<b>\$ 576,713</b>	<b>\$ 376,777</b>

DIST #4 BRICKYARD REDEVELOPMENT	REDEVELOPMENT PLAN NO. 4 NON-TIF DISTRICT PROJECTS	DIST #4 1999 TAXABLE WRITEDOWNS	DIST # 12 CLOVER FIELDS	DIST # 13 NORTH MEADOWS	DIST #14 DOWNTOWN REDEVELOPMENT	DIST #15 CHAMBER REDEVELOPMENT	TOTALS	
\$ -	\$ -	\$ -	\$ 32,769	\$ 131	\$ -	\$ -	\$ 68,396	REVENUES:
-	-	-	-	-	-	-	701	General Property Taxes:
3,269	-	-	-	-	5,928	-	36,523	Tax Increment, Current
11,400	-	-	-	-	1,176	2,118	14,694	Intergovernmental:
14,669	-	-	32,769	131	7,104	2,118	120,314	State:
								Special Assessments
								Other Revenues:
								Investment Earnings
								Miscellaneous
								TOTAL REVENUES
-	-	-	764	68	-	25	857	EXPENDITURES:
44,204	-	-	4,837	-	98,102	5,447	152,590	Current:
-	-	-	30,000	-	43,630	190	73,820	General Government:
-	-	-	-	-	63,598	-	82,190	Administrative Fees
41,016	-	-	-	-	27,423	-	27,423	Economic Development:
-	-	-	-	-	-	-	41,016	Professional Services
85,220	-	-	35,601	68	1,672	-	1,672	Miscellaneous
								Debt Service:
								Interest
								Issuance Costs
								Capital Outlay:
								Land Purchase / Land Writedowns
								System Improvements:
								General
								TOTAL EXPENDITURES
(70,551)	-	-	(2,832)	63	(227,321)	(3,544)	(259,254)	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
-	-	-	(237)	-	-	-	(237)	OTHER FINANCING SOURCES (USES):
-	-	-	-	-	769,869	-	769,869	Transfers Out
-	-	-	(237)	-	769,869	-	769,632	Bonds Issued
								TOTAL OTHER FINANCING SOURCES (USES)
(70,551)	-	-	(3,069)	63	542,548	(3,544)	510,378	NET CHANGE IN FUND BALANCES
310,090	(404,989)	(231,894)	(54,393)	(5,633)	(285,217)	-	1,386,907	FUND BALANCES, January 1
\$ 239,539	\$ (404,989)	\$ (231,894)	\$ (57,462)	\$ (5,570)	\$ 257,331	\$ (3,544)	\$ 1,897,285	FUND BALANCES, December 31

**CITY OF CHASKA, MINNESOTA**

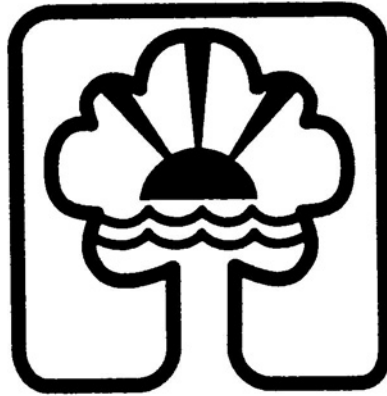
**CAPITAL PROJECT FUNDS - SPECIAL ASSESSMENT  
COMBINING BALANCE SHEET  
DECEMBER 31, 2004**

	<u>UNFINANCED IMPROVEMENT PROJECTS</u>	<u>1999 IMPROVEMENT PROJECTS</u>	<u>2000 IMPROVEMENT PROJECTS</u>	<u>2002 IMPROVEMENT PROJECTS</u>	<u>TOTALS</u>
<b><u>ASSETS</u></b>					
Cash And Investments	\$ -	\$ -	\$ -	\$ 31,764	\$ 31,764
Special Assessments:					
Deferred:					
City Owned	<u>15,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,734</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 15,734</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ 31,764</u></u></b>	<b><u><u>\$ 47,498</u></u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b>LIABILITIES:</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 2,035	\$ 2,035
Contracts Payable	-	-	-	8,516	8,516
Due To Other Funds	1,827,641	2,557	112,091	-	1,942,289
Deferred Revenue	<u>16,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,761</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,844,402</u></b>	<b><u>2,557</u></b>	<b><u>112,091</u></b>	<b><u>10,551</u></b>	<b><u>1,969,601</u></b>
<b>FUND BALANCES:</b>					
Reserved:					
Reserved For Construction	-	-	-	21,213	21,213
Unreserved, Undesignated	<u>(1,828,668)</u>	<u>(2,557)</u>	<u>(112,091)</u>	<u>-</u>	<u>(1,943,316)</u>
<b>TOTAL FUND BALANCES</b>	<b><u>(1,828,668)</u></b>	<b><u>(2,557)</u></b>	<b><u>(112,091)</u></b>	<b><u>21,213</u></b>	<b><u>(1,922,103)</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE:</b>	<b><u><u>\$ 15,734</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ 31,764</u></u></b>	<b><u><u>\$ 47,498</u></u></b>

**CITY OF CHASKA, MINNESOTA**

**CAPITAL PROJECT FUNDS - SPECIAL ASSESSMENT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED DECEMBER 31, 2004**

	<b>UNFINANCED IMPROVEMENT PROJECTS</b>	<b>1999 IMPROVEMENT PROJECTS</b>	<b>2000 IMPROVEMENT PROJECTS</b>	<b>2002 IMPROVEMENT PROJECTS</b>	<b>TOTALS</b>
<b>REVENUES:</b>					
Other Revenues:					
Investment Earnings	\$ -	\$ 6,562	\$ -	\$ 1,967	\$ 8,529
Miscellaneous	-	-	-	98,710	98,710
<b>TOTAL REVENUES</b>	<b>-</b>	<b>6,562</b>	<b>-</b>	<b>100,677</b>	<b>107,239</b>
<b>EXPENDITURES:</b>					
Current:					
General Government:					
Administrative Fees	21,071	8,306	1,340	1,799	32,516
Public Works:					
Professional Services	163,602	813	216	51,064	215,695
Miscellaneous	-	-	-	200,000	200,000
Capital Outlay:					
Systems Improvements:					
General	68	-	-	-	68
Street	-	-	-	154,044	154,044
<b>TOTAL EXPENDITURES</b>	<b>184,741</b>	<b>9,119</b>	<b>1,556</b>	<b>406,907</b>	<b>602,323</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(184,741)</b>	<b>(2,557)</b>	<b>(1,556)</b>	<b>(306,230)</b>	<b>(495,084)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(184,741)</b>	<b>(2,557)</b>	<b>(1,556)</b>	<b>(306,230)</b>	<b>(495,084)</b>
<b>FUND BALANCES, January 1</b>	<b>(1,643,927)</b>	<b>-</b>	<b>(110,535)</b>	<b>327,443</b>	<b>(1,427,019)</b>
<b>FUND BALANCES, December 31</b>	<b>\$ (1,828,668)</b>	<b>\$ (2,557)</b>	<b>\$ (112,091)</b>	<b>\$ 21,213</b>	<b>\$ (1,922,103)</b>



CHASKA

## Nonmajor Budgeted Special Revenue Funds

City of Chaska

December 31, 2004

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The City adopts budgets for the following four nonmajor special revenue funds:

- Ambulance Fund
- Mount Pleasant Maintenance & Care Fund
- Chaska EDA Fund
- Equipment Acquisition Fund



CITY OF CHASKA, MINNESOTA

AMBULANCE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

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	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:			
Intergovernmental:			
County:			
Ambulance Aid	\$ 3,500	\$ -	\$ (3,500)
Other Revenue:			
Investment Earnings	500	-	(500)
<b>TOTAL REVENUES</b>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>
EXPENDITURES:			
Current:			
Public Safety:			
Other Services And Charges	685	-	685
<b>TOTAL EXPENDITURES</b>	<u>685</u>	<u>-</u>	<u>685</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,315</u>	<u>-</u>	<u>(3,315)</u>
OTHER FINANCING SOURCES (USES):			
Transfers Out:			
Equipment Acquisition	-	(16,218)	(16,218)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(16,218)</u>	<u>(16,218)</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,315	(16,218)	(19,533)
<b>FUND BALANCES, January 1</b>	<u>16,218</u>	<u>16,218</u>	<u>-</u>
<b>FUND BALANCES, December 31</b>	<u>\$ 19,533</u>	<u>\$ -</u>	<u>\$ (19,533)</u>

CITY OF CHASKA, MINNESOTA

**MOUNT PLEASANT MAINTENANCE & CARE SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES:</b>			
Taxes:			
Property	\$ 5,704	\$ 5,656	\$ (48)
Intergovernmental:			
State:			
Market Value Credit	296	296	-
Charges For Services	1,000	600	(400)
Other:			
Investment Earnings	500	1,852	1,352
<b>TOTAL REVENUES</b>	<u>7,500</u>	<u>8,404</u>	<u>904</u>
<b>EXPENDITURES:</b>			
Current:			
Public Works:			
Other Services And Charges	7,500	8,012	(512)
<b>NET CHANGE IN FUND BALANCES</b>	-	392	392
<b>FUND BALANCES, January 1</b>	<u>151,683</u>	<u>151,683</u>	-
<b>FUND BALANCES, December 31</b>	<u>\$ 151,683</u>	<u>\$ 152,075</u>	<u>\$ 392</u>

CITY OF CHASKA, MINNESOTA

CHASKA EDA SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

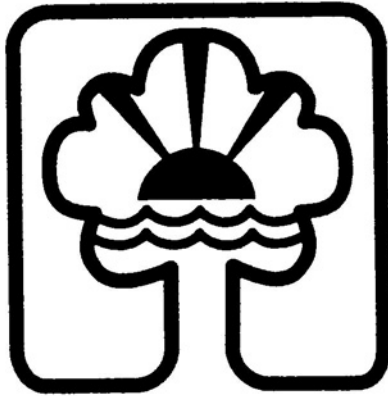
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	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES:</b>			
Taxes:			
Property	\$ 35,208	\$ 35,185	\$ (23)
Intergovernmental:			
State:			
Market Value Credit	2,534	2,534	-
Other	-	1,204	1,204
Charges For Services	127,980	127,980	-
Other:			
Miscellaneous	22,000	69,336	47,336
<b>TOTAL REVENUES</b>	<u>187,722</u>	<u>236,239</u>	<u>48,517</u>
<b>EXPENDITURES:</b>			
Current:			
Economic Development:			
Operating Supplies	329	352	(23)
Other Services And Charges	154,651	167,649	(12,998)
Capital Outlay	32,742	-	32,742
<b>TOTAL EXPENDITURES</b>	<u>187,722</u>	<u>168,001</u>	<u>19,721</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	68,238	68,238
<b>FUND BALANCES, January 1</b>	<u>(42,122)</u>	<u>(42,122)</u>	-
<b>FUND BALANCES, December 31</b>	<u>\$ (42,122)</u>	<u>\$ 26,116</u>	<u>\$ 68,238</u>

**CITY OF CHASKA, MINNESOTA**

**EQUIPMENT ACQUISITION SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2004**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES:</b>			
Taxes:			
Property	\$ 392,639	\$ 390,325	\$ (2,314)
Intergovernmental:			
State:			
Market Value Credit	20,361	20,361	-
Charges For Services	4,000	-	(4,000)
Other:			
Investment Earnings	-	6,933	6,933
Rents	28,000	46,032	18,032
Refunds And Reimbursements	-	6,625	6,625
Contributions And Donations	5,000	500	(4,500)
Miscellaneous	-	20	20
<b>TOTAL REVENUES</b>	<b>450,000</b>	<b>470,796</b>	<b>20,796</b>
<b>EXPENDITURES:</b>			
Current:			
Economic Development	-	40	(40)
Public Safety	-	7,385	(7,385)
Debt Service:			
Issuance Costs & Fiscal Agent Fees	-	14,542	(14,542)
Capital Outlay:			
Communications	1,217	21,868	(20,651)
Data Processing	43,400	49,302	(5,902)
Community Development	18,000	25,457	(7,457)
Police	87,923	48,737	39,186
Fire	62,000	45,282	16,718
Ambulance	-	3,303	(3,303)
Public Works	66,700	114,460	(47,760)
<b>TOTAL EXPENDITURES</b>	<b>279,240</b>	<b>330,376</b>	<b>(51,136)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>170,760</b>	<b>140,420</b>	<b>(30,340)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	192,000	208,218	16,218
Transfers Out	(393,156)	(393,156)	-
Bond Issuance	-	805,819	805,819
Premium on Bonds Issued	-	2,835	2,835
Sale of Capital Assets	-	53,759	53,759
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(201,156)</b>	<b>677,475</b>	<b>878,631</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(30,396)</b>	<b>817,895</b>	<b>848,291</b>
<b>FUND BALANCES, January 1</b>	<b>408,269</b>	<b>408,269</b>	<b>-</b>
<b>FUND BALANCES, December 31</b>	<b>\$ 377,873</b>	<b>\$ 1,226,164</b>	<b>\$ 848,291</b>



CHASKA

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. It is where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. This type of fund is also used where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. The city has four nonmajor enterprise funds.

- |                                       |   |
|---------------------------------------|---|
| <b>Sewer Fund</b>                     | This fund is used to account for the operations of the City's Sewer Utility.                    |
| <b>Par 30 Golf Fund</b>               | This fund is used to account for the operations of the City's 9-hole par 30 public golf course. |
| <b>Chaska Town Course Fund</b>        | This fund is used to account for the operations of the City's 18-hole public golf course.       |
| <b>Internet Service Provider Fund</b> | This fund is used to account for the operations of the City's Chaska.net internet services.     |

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2004

	SEWER	PAR 30 GOLF	CHASKA TOWN COURSE	INTERNET SERVICE PROVIDER	TOTALS
<b>ASSETS</b>					
Current Assets:					
Cash And Investments	\$ 1,793,568	\$ 59,366	\$ -	\$ 168,822	\$ 2,021,756
Accounts Receivable:					
Current	133,739	80	504	49,369	183,692
Unbilled	80,655	-	-	-	80,655
Allowance For Uncollectible Accounts	(1,291)	-	-	(489)	(1,780)
Interest	2,340	-	-	-	2,340
Inventories	13,918	-	46,929	-	60,847
Prepaid Items	-	-	-	3,125	3,125
Total Current Assets	<u>2,022,929</u>	<u>59,446</u>	<u>47,433</u>	<u>220,827</u>	<u>2,350,635</u>
Noncurrent Assets:					
Capital Assets:					
Buildings	255,000	111,537	7,899,302	-	8,265,839
Other Improvements	-	21,315	182,616	-	203,931
Furniture & Equipment	279,617	111,414	1,120,041	853,096	2,364,168
Infrastructure:					
Pumps, Mains and Others	2,429,069	-	-	-	2,429,069
Construction In Progress	-	-	-	148,743	148,743
Less: Accumulated Depreciation	(2,126,281)	(132,339)	(2,634,164)	(53,206)	(4,945,990)
Total Net Capital Assets	<u>837,405</u>	<u>111,927</u>	<u>6,567,795</u>	<u>948,633</u>	<u>8,465,760</u>
<b>TOTAL ASSETS</b>	<u>2,860,334</u>	<u>171,373</u>	<u>6,615,228</u>	<u>1,169,460</u>	<u>10,816,395</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	4,327	296	58,110	142,035	204,768
Salaries Payable	11,241	1,919	12,735	2,344	28,239
Deposits Payable	-	-	39,587	-	39,587
Compensated Absences	10,385	4,164	15,952	-	30,501
Due To Other Funds	-	-	16,279	-	16,279
Due To Other Governments	610	-	2,372	-	2,982
Interfund Payable	-	-	-	168,000	168,000
Unearned Revenue	-	-	-	50,322	50,322
Total Current Liabilities	<u>26,563</u>	<u>6,379</u>	<u>145,035</u>	<u>362,701</u>	<u>540,678</u>
Noncurrent Liabilities:					
Compensated Absences	3,409	589	21,949	1,270	27,217
Advance From Other Funds	-	-	-	1,434,086	1,434,086
Total Noncurrent Liabilities	<u>3,409</u>	<u>589</u>	<u>21,949</u>	<u>1,435,356</u>	<u>1,461,303</u>
<b>TOTAL LIABILITIES</b>	<u>29,972</u>	<u>6,968</u>	<u>166,984</u>	<u>1,798,057</u>	<u>2,001,981</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	837,405	111,927	6,567,795	948,633	8,465,760
Unrestricted	1,992,957	52,478	(119,551)	(1,577,230)	348,654
<b>TOTAL NET ASSETS</b>	<u>\$ 2,830,362</u>	<u>\$ 164,405</u>	<u>\$ 6,448,244</u>	<u>\$ (628,597)</u>	<u>\$ 8,814,414</u>

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>SEWER</u>	<u>PAR 30 GOLF</u>	<u>CHASKA TOWN COURSE</u>	<u>INTERNET SERVICE PROVIDER</u>	<u>TOTALS</u>
<b>OPERATING REVENUES:</b>					
Sales	\$ 1,727,417	\$ 181,264	\$ 1,554,394	\$ 299,560	\$ 3,762,635
<b>OPERATING EXPENSES:</b>					
Production	1,040,724	-	-	107,286	1,148,010
Distribution / Collections	278,427	-	-	12,227	290,654
Administration	201,465	171,388	1,208,133	593,848	2,174,834
Depreciation	114,802	13,259	456,871	32,873	617,805
<b>TOTAL OPERATING EXPENSES</b>	<u>1,635,418</u>	<u>184,647</u>	<u>1,665,004</u>	<u>746,234</u>	<u>4,231,303</u>
<b>OPERATING INCOME (LOSS)</b>	<u>91,999</u>	<u>(3,383)</u>	<u>(110,610)</u>	<u>(446,674)</u>	<u>(468,668)</u>
<b>NON-OPERATING REVENUES:</b>					
Investment Earnings	19,983	603	-	-	20,586
Gain On Disposal Of Capital Assets	-	-	3,500	-	3,500
<b>TOTAL NON-OPERATING REVENUES</b>	<u>19,983</u>	<u>603</u>	<u>3,500</u>	<u>-</u>	<u>24,086</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	111,982	(2,780)	(107,110)	(446,674)	(444,582)
<b>CAPITAL CONTRIBUTIONS</b>	385	-	-	-	385
<b>TRANSFER (OUT)</b>					
Transfers Out	(5,775)	-	-	-	(5,775)
<b>CHANGE IN NET ASSETS</b>	106,592	(2,780)	(107,110)	(446,674)	(449,972)
<b>NET ASSETS, January 1</b>	<u>2,723,770</u>	<u>167,185</u>	<u>6,555,354</u>	<u>(181,923)</u>	<u>9,264,386</u>
<b>NET ASSETS, December 31</b>	<u>\$ 2,830,362</u>	<u>\$ 164,405</u>	<u>\$ 6,448,244</u>	<u>\$ (628,597)</u>	<u>\$ 8,814,414</u>



CITY OF CHASKA, MINNESOTA

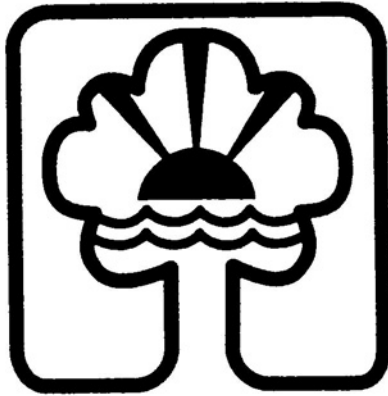
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>SEWER</u>	<u>PAR 30 GOLF</u>	<u>CHASKA TOWN COURSE</u>	<u>INTERNET SERVICE PROVIDER</u>	<u>TOTALS</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received From Customers	\$ 1,716,251	\$ 181,220	\$ 1,557,972	\$ 313,176	\$ 3,768,619
Cash Payments To Suppliers For Goods And Services	(1,125,756)	(70,943)	(531,269)	(546,649)	(2,274,617)
Cash Payments To Employees For Services	(319,425)	(99,706)	(661,488)	(27,490)	(1,108,109)
Net Cash Provided (Used) By Operating Activities	<u>271,070</u>	<u>10,571</u>	<u>365,215</u>	<u>(260,963)</u>	<u>385,893</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Transfers To Other Funds	(5,775)	-	-	-	(5,775)
Due From Other Funds	-	-	(207,112)	-	(207,112)
Interfund Loans From Other Funds	-	-	-	1,328,068	1,328,068
Net Cash Provided (Used) By Non-Capital Finance Activities	<u>(5,775)</u>	<u>-</u>	<u>(207,112)</u>	<u>1,328,068</u>	<u>1,115,181</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition Of Capital Assets	<u>(8,204)</u>	<u>(31,378)</u>	<u>(158,103)</u>	<u>(898,283)</u>	<u>(1,095,968)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest On Investments	<u>19,021</u>	<u>603</u>	<u>-</u>	<u>-</u>	<u>19,624</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	276,112	(20,204)	-	168,822	424,730
CASH AND CASH EQUIVALENTS, January 1	1,517,456	79,570	-	-	1,597,026
CASH AND CASH EQUIVALENTS, December 31	<u>\$ 1,793,568</u>	<u>\$ 59,366</u>	<u>\$ -</u>	<u>\$ 168,822</u>	<u>\$ 2,021,756</u>

(Continued)

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	SEWER	PAR 30 GOLF	CHASKA TOWN COURSE	INTERNET SERVICE PROVIDER	TOTALS
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating Income (Loss)	\$ 91,999	\$ (3,383)	\$ (110,610)	\$ (446,674)	\$ (468,668)
<b>Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:</b>					
Depreciation Expense	114,802	13,259	456,871	32,873	617,805
Allowance For Uncollectible Accounts	67	-	-	369	436
<b>(Increase) Decrease In Assets:</b>					
Accounts Receivable	(11,233)	(44)	707	(37,275)	(47,845)
Due From Other Governments	-	-	-	200	200
Inventory	(2,890)	-	(9,110)	-	(12,000)
Prepaid Items	82,918	-	-	(3,125)	79,793
<b>Increase (Decrease) In Liabilities:</b>					
Accounts Payable	(857)	(937)	17,172	139,746	155,124
Salaries Payable	552	1,676	7,719	3,614	13,561
Deposits Payable	-	-	2,871	-	2,871
Deferred And Unearned Revenue	-	-	-	50,322	50,322
Due To Other Governments	(4,288)	-	(405)	(1,013)	(5,706)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 271,070</b>	<b>\$ 10,571</b>	<b>\$ 365,215</b>	<b>\$ (260,963)</b>	<b>\$ 385,893</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>					
Capital Asset Contributions	\$ 385	\$ -	\$ -	\$ -	\$ 385
Trade-In Of Capital Assets	-	-	3,500	-	3,500



CHASKA

Agency funds account for assets that the City holds on behalf of others as their agent and are custodial in nature. The following is a list of the City's Agency funds:

<b>Builders' Deposit Fund</b>	This agency fund is used to account for the collection of assets in the form of deposits from builders.
<b>Developers' Fund</b>	This agency fund is used to account for the collections of assets in the form of deposits from developers.
<b>MCES Collection Fund</b>	This agency fund is used to account for the collection of assets in the form of sewer availability charges and contributed to the Metropolitan Council Environmental Services (MCES).

CITY OF CHASKA, MINNESOTA

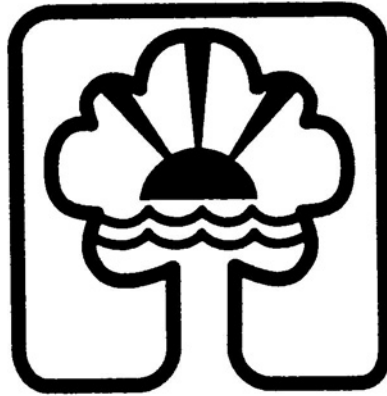
COMBINING STATEMENT OF NET ASSETS  
 AGENCY FUNDS  
 DECEMBER 31, 2004

	BUILDERS' DEPOSIT FUND	DEVELOPERS' FUND	MCES COLLECTIONS FUND	TOTAL AGENCY FUNDS
<b><u>ASSETS</u></b>				
Cash And Investments	\$ 196,322	\$ -	\$ 29,700	\$ 226,022
Receivables:				
Accounts	-	7,181	-	7,181
Due From Other Funds	6,428	-	-	6,428
Due From Other Governments	-	161	-	161
<b>TOTAL ASSETS</b>	<b><u>\$ 202,750</u></b>	<b><u>\$ 7,342</u></b>	<b><u>\$ 29,700</u></b>	<b><u>\$ 239,792</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ -	\$ 914	\$ 1,350	\$ 2,264
Due To Other Funds	-	6,428	-	6,428
Due To Other Governments	-	-	28,350	28,350
Deposits Payable	202,750	-	-	202,750
<b>TOTAL LIABILITIES</b>	<b><u>\$ 202,750</u></b>	<b><u>\$ 7,342</u></b>	<b><u>\$ 29,700</u></b>	<b><u>\$ 239,792</u></b>

CITY OF CHASKA, MINNESOTA

AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	BALANCE JANUARY 1, 2004	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2004
<b>BUILDERS' DEPOSIT FUND</b>				
<u>ASSETS</u>				
Cash And Investments	\$ 151,554	\$ 198,826	\$ 154,058	\$ 196,322
Due From Other Funds	2,086	6,428	2,086	6,428
<b>TOTAL ASSETS</b>	<b>\$ 153,640</b>	<b>\$ 205,254</b>	<b>\$ 156,144</b>	<b>\$ 202,750</b>
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 147,630	\$ 147,630	\$ -
Deposits Payable	153,640	196,740	147,630	202,750
<b>TOTAL LIABILITIES</b>	<b>\$ 153,640</b>	<b>\$ 344,370</b>	<b>\$ 295,260</b>	<b>\$ 202,750</b>
<b>DEVELOPERS' FUND</b>				
<u>ASSETS</u>				
Cash And Investments	\$ -	\$ 44,471	\$ 44,471	\$ -
Accounts Receivable	8,296	33,910	35,025	7,181
Other Receivable	2,451	34,931	37,382	-
Due from Other Governments	101	3,444	3,384	161
<b>TOTAL ASSETS</b>	<b>\$ 67,763</b>	<b>\$ 116,756</b>	<b>\$ 120,262</b>	<b>\$ 7,342</b>
<u>LIABILITIES</u>				
Accounts Payable	\$ 8,762	\$ 34,537	\$ 42,385	\$ 914
Due To Other Funds	2,086	6,428	2,086	6,428
<b>TOTAL LIABILITIES</b>	<b>\$ 67,763</b>	<b>\$ 40,965</b>	<b>\$ 44,471</b>	<b>\$ 7,342</b>
<b>MCES COLLECTIONS</b>				
<u>ASSETS</u>				
Cash	\$ 49,725	\$ 735,525	\$ 755,550	\$ 29,700
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ 2,700	\$ 1,350	\$ 1,350
Due To Other Governments	49,725	735,450	756,825	28,350
<b>TOTAL LIABILITIES</b>	<b>\$ 49,725</b>	<b>\$ 738,150</b>	<b>\$ 758,175</b>	<b>\$ 29,700</b>
<b>TOTAL ALL AGENCY FUNDS</b>				
<u>ASSETS</u>				
Cash And Investments	\$ 201,279	\$ 978,822	\$ 954,079	\$ 226,022
Accounts Receivable	8,296	33,910	35,025	7,181
Other Receivable	2,451	34,931	37,382	-
Due From Other Funds	2,086	6,428	2,086	6,428
Due From Other Governments	101	3,444	3,384	161
<b>TOTAL ASSETS</b>	<b>\$ 214,213</b>	<b>\$ 1,057,535</b>	<b>\$ 1,031,956</b>	<b>\$ 239,792</b>
<u>LIABILITIES</u>				
Accounts Payable	8,762	184,867	191,365	2,264
Due To Other Funds	2,086	6,428	2,086	6,428
Due To Other Governments	49,725	735,450	756,825	28,350
Deposits Payable	153,640	196,740	147,630	202,750
<b>TOTAL LIABILITIES</b>	<b>\$ 214,213</b>	<b>\$ 1,123,485</b>	<b>\$ 1,097,906</b>	<b>\$ 239,792</b>



CHASKA

The Statistical Section provides a broad range of trend data covering key financial indicators from the past ten fiscal years – revenues, expenditures, and tax collections. Demographic information is also provided, as well as information on the City’s debt burden.



**CITY OF CHASKA, MINNESOTA**

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

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<b><u>FISCAL YEAR</u></b>	<b><u>GENERAL GOVERNMENT</u></b>	<b><u>PUBLIC SAFETY</u></b>	<b><u>PUBLIC WORKS</u></b>	<b><u>RECREATION</u></b>
1995	\$ 1,480,567	\$ 1,273,631	\$ 889,169	\$ 220,331
1996	1,728,833	1,505,849	948,753	228,607
1997	2,028,971	1,600,742	981,276	241,191
1998	2,101,958	1,693,132	1,148,844	232,630
1999	1,996,846	1,762,698	1,227,707	235,226
2000	2,436,521	1,803,820	1,282,159	262,913
2001	2,663,045	2,140,093	1,471,802	298,411
2002	2,693,687	2,309,502	1,545,952	309,595

<b><u>FISCAL YEAR</u></b>	<b><u>GENERAL GOVERNMENT</u></b>	<b><u>ECONOMIC DEVELOPMENT</u></b>	<b><u>PUBLIC SAFETY</u></b>	<b><u>PUBLIC WORKS</u></b>
2003	(2) 2,354,438	333,887	2,650,273	1,683,281
2004	2,487,962	168,041	2,840,569	1,790,846

(1) Includes general, special revenue and debt service funds

(2) Due to the implemetation of GASB 34 in 2003, function titles have changed

TABLE 1

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<u>MISCELLANEOUS</u>	<u>CAPITAL OUTLAY</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
\$ 26,570	\$ 307,851	\$ 4,725,991	\$ 8,924,110
1,182	483,327	4,253,386	9,149,937
12,047	610,800	7,360,549	12,835,576
5,144	484,013	7,937,177	13,602,898
55,129	4,000,223	8,545,930	17,823,759
121,268	1,457,822	8,945,609	16,310,112
59,844	1,516,588	9,435,334	17,585,117
1,996	1,441,823	9,659,848	17,962,403
<u>PARKS, RECREATION AND ARTS</u>	<u>CAPITAL OUTLAY</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
361,690	1,400,947	12,243,361	21,027,877
388,727	603,392	11,802,382	20,081,919

**CITY OF CHASKA, MINNESOTA**

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

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<b>FISCAL YEAR</b>	<b>TAXES</b>	<b>LICENSES AND PERMITS</b>	<b>INTER- GOVERNMENTAL REVENUES</b>	<b>CHARGES FOR SERVICES</b>
1995	\$ 1,970,026	\$ 496,360	\$ 941,453	\$ 674,330
1996	1,250,823	658,576	1,130,532	702,377
1997	1,371,964	657,014	1,186,715	708,946
1998	2,566,651	627,662	1,573,951	820,013
1999	2,565,823	807,399	1,415,751	779,497
2000	2,917,201	920,629	2,037,887	965,374
2001	3,309,219	1,117,007	2,981,456	890,530
2002	3,552,543	1,149,986	2,395,277	1,094,842
2003	3,971,019	1,237,583	2,477,959	1,265,350
2004	4,378,367	1,289,746	1,800,158	1,249,861

(1) Includes general, special revenue and debt service funds

TABLE 2

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<u>FINES AND FORFEITURES</u>	<u>OTHER REVENUE</u>	<u>TOTAL</u>
\$ 33,252	\$ 286,964	\$ 4,402,385
35,311	1,210,584	4,988,203
41,962	1,833,793	5,800,394
46,655	1,925,864	7,560,796
56,520	4,799,885	10,424,875
48,924	2,855,618	9,745,633
35,687	1,943,282	10,277,181
60,445	2,404,070	10,657,163
120,025	2,934,344	12,006,280
73,684	2,101,725	10,893,541

CITY OF CHASKA, MINNESOTA

PROPERTY TAX LEVIES AND COLLECTIONS (1)  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

TAXES PAYABLE YEAR	LEVY FOR CALCULATION OF TAX RATE			LEVY ADJUSTMENT AFTER RATE CALCULATION		COUNTY ADJUSTED NET TAX LEVY	CURRENT TAX COLLECTIONS AND FISCAL DISPARITIES
	CERTIFIED LEVY	CREDITS AND ADJUSTMENTS (2)	COUNTY ADJUSTED TAX LEVY	EXCESS TAX INCREMENT	OTHER		
1995	\$ 1,117,442	\$ -	\$ 1,117,442	\$ 25,563	\$ (9,414)	\$ 1,133,591	\$ 1,126,790
1996	1,217,719	-	1,217,719	22,228	(3,129)	1,236,818	1,229,397
1997	1,557,901	27,778	1,530,123	35,837	(6,366)	1,559,594	1,523,723
1998	1,621,231	26,948	1,597,283	39,866	(6,237)	1,630,912	1,612,972
1999	1,668,033	49,399	1,618,634	3,220	(5,441)	1,616,431	1,579,138
2000	1,760,099	52,749	1,707,350	1,880	(8,451)	1,700,779	1,682,597
2001	2,042,184	67,038	1,975,146	1,497	(2,511)	1,974,132	1,936,133
2002	2,051,825	164,316	1,887,509	408	(10,928)	1,876,989	1,851,081
2003	2,376,847	150,088	2,226,759	1,197	(15,324)	2,212,632	2,184,066
2004	2,708,636	155,091	2,553,545	937	(6,216)	2,548,266	2,527,225

- (1) Southwest Metro Local Transit Option included 1997 through 2001  
Does not include tax increment or mobile home
- (2) Southwest Metro Local Transit Option Feathering Aid included 1997 through 2001  
Includes Market Value Credit beginning 2002
- (3) Includes penalty and interest
- (4) Excludes delinquent tax increment

TABLE 3

PERCENT OF LEVY COLLECTED TO NET TAX LEVY	DELINQUENT TAX COLLECTIONS (3)	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO NET TAX LEVY	OUTSTANDING DELINQUENT TAXES (4)	PERCENT OF DELINQUENT TAXES TO NET TAX LEVY	DELINQUENT TAX INCREMENT
99.4%	\$ 10,127	\$ 1,136,917	100.3%	\$ 107,203	9.5%	N/A
99.4%	8,895	1,238,292	100.1%	23,006	1.9%	N/A
97.7%	17,775	1,541,498	98.8%	55,160	3.5%	157,909
98.9%	10,337	1,623,309	99.5%	27,468	1.7%	220,502
97.7%	12,578	1,591,716	98.5%	40,554	2.5%	311,083
98.9%	33,876	1,716,473	100.9%	44,811	2.6%	81,796
98.1%	42,419	1,978,552	100.2%	52,897	2.7%	104,930
98.6%	(14,065)	1,837,016	97.9%	49,323	2.6%	95,425
98.7%	48,055	2,232,121	100.9%	35,611	1.6%	81,886
99.2%	11,722	2,538,947	99.6%	30,066	1.2%	106,657

CITY OF CHASKA, MINNESOTA

TAX CAPACITY AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

TAXES PAYABLE YEAR	REAL PROPERTY		PERSONAL PROPERTY		FISCAL DISPARITIES	
	TAX CAPACITY VALUE	ESTIMATED ACTUAL VALUE	TAX CAPACITY VALUE	ESTIMATED ACTUAL VALUE	CONTRIBUTION	DISTRIBUTION
1995	\$ 12,105,614	\$ 536,040,600	\$ 162,435	\$ 3,566,000	\$ (2,319,335)	\$ 1,281,342
1996	13,339,823	599,171,500	168,649	3,701,100	(2,403,728)	1,430,802
1997	15,323,038	663,977,900	168,701	3,667,400	(2,581,482)	1,456,711
1998	15,320,428	737,764,900	151,148	3,778,700	(2,953,115)	1,454,653
1999	15,019,395	806,387,700	138,377	3,953,600	(2,689,454)	1,365,901
2000	15,831,388	871,467,600	132,671	3,946,500	(2,822,734)	1,560,689
2001	17,858,363	985,320,700	128,968	3,837,300	(2,898,507)	1,851,658
2002	13,422,185 (2)	1,123,196,900	78,910	3,983,000	(1,887,559)	1,439,269
2003	15,393,773	1,305,587,300	90,406	4,557,800	(1,970,599)	1,696,310
2004	17,494,021	1,534,978,800	104,052	5,270,800	(2,048,369)	1,768,330

(1) 2004 population not available, 2003 population used

(2) Reduction of 2002 tax capacity was a result of tax rate compression by the state legislature.

Source: Carver County Auditor

TABLE 4

TAX INCREMENT ADJUSTED TO TAX CAPACITY VALUE	TOTAL		PERCENT OF ADJUSTED TAX CAPACITY VALUE TO ESTIMATED ACTUAL VALUE	PER CAPITA VALUATIONS		
	ADJUSTED TAX CAPACITY VALUE	ESTIMATED ACTUAL VALUE		POPULATION	ADJUSTED TAX CAPACITY VALUE	ESTIMATED ACTUAL VALUE
\$ (4,160,438)	\$ 7,069,618	\$ 539,606,600	1.3%	14,000	\$ 505	\$ 38,543
(4,504,822)	8,030,724	602,872,600	1.3%	14,239	564	42,340
(5,561,547)	8,805,421	667,645,300	1.3%	14,673	600	45,502
(5,313,030)	8,660,084	741,543,600	1.2%	15,361	564	48,274
(4,370,161)	9,464,058	810,341,300	1.2%	15,801	599	51,284
(4,408,029)	10,293,985	875,414,100	1.2%	17,449	590	50,170
(4,743,474)	12,197,008	989,158,000	1.2%	18,380	664	53,817
(3,006,092)	10,046,713	1,127,179,900	0.9%	18,961	530	59,447
(3,155,099)	12,054,791	1,310,145,100	0.9%	20,260	595	64,667
(3,470,363)	13,847,671	1,540,249,600	0.9%	20,260	(1) 683	76,024



CITY OF CHASKA, MINNESOTA

PROPERTY TAX RATES  
 DIRECT AND OVERLAPPING GOVERNMENTS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

TAXES PAYABLE YEAR	CITY		CITY HOUSING/ ECONOMIC DEVELOPMENT AUTHORITY	COUNTY	COUNTY HOUSING/ DEVELOPMENT AUTHORITY	INDEPENDENT SCHOOL DISTRICT #112	METROPOLITAN COUNCIL
	URBAN	TRANSIT (2)					
(Per \$100 of Assessed Value)							
1995	15.810	N/A	0.035	47.033	0.915	71.221	0.525
1996	14.984	N/A	0.031	47.321	0.860	71.201	0.759
1997	14.988	2.257	0.029	46.606	0.858	69.138	0.756
1998	15.665	2.423	0.029	47.336	0.910	63.797	0.878
1999	14.086	2.385	0.026	47.593	1.003	62.035	0.876
2000	14.098	2.393	0.025	45.744	0.786	74.237	0.851
2001	14.052	2.062	0.021	43.105	0.945	60.805	0.761
2002	19.789	N/A	0.048	53.336	1.581	29.808	1.365
2003	19.656	N/A	0.041	53.137	1.543	38.436	1.452
2004	19.233	N/A	0.306	48.443	1.542	37.524	1.228

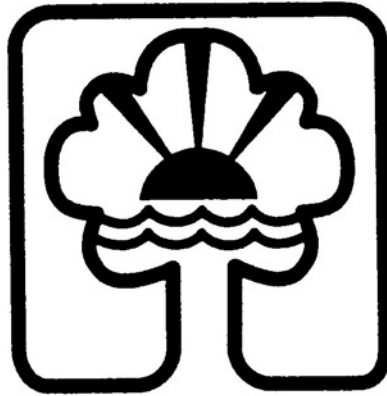
(1) Total excludes watershed #2

(2) In years 1997 through 2001, the City levied under the  
 Local Transit Option

TABLE 5

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REGIONAL TRANSIT BOARD	LOWER MINNESOTA WATERSHED #1	RILEY WATERSHED #2	EAST CHASKA CREEK WATERSHED	WEST CHASKA CREEK WATERSHED	MOSQUITO CONTROL	TOTAL (1)
3.103	0.302	0.762	N/A	N/A	0.370	139.314
3.280	0.264	0.864	N/A	N/A	0.248	138.948
1.621	0.253	0.860	N/A	N/A	0.247	136.753
1.722	0.297	0.843	N/A	N/A	0.285	133.342
1.453	0.252	0.880	N/A	N/A	0.325	130.034
1.483	0.268	0.866	N/A	N/A	0.343	140.228
1.115	0.221	0.946	N/A	N/A	0.304	123.391
1.434	0.371	1.608	0.268	0.400	0.470	108.870
1.667	0.338	1.616	0.293	0.575	0.544	117.682
1.710	0.330	0.732	0.209	0.602	0.597	111.724



CHASKA

PRINCIPAL TAXPAYERS  
DECEMBER 31, 2004  
(UNAUDITED)

	TYPE OF PROPERTY	2003-2004 ESTIMATED ACTUAL VALUE (1)	2003-2004 ESTIMATED NET TAX CAPACITY	PERCENT OF REAL PROPERTY TAX CAPACITY VALUE
IDS Financial Services	Commercial	\$ 25,694,800	\$ 505,688	2.9%
Entegris, Inc.	Industrial	15,517,900	307,271	1.8%
Target Corporation	Commercial	12,707,700	253,404	1.4%
Lifecore Biomedical, Inc.	Industrial	11,017,300	219,596	1.3%
FSI International	Industrial	9,800,000	195,250	1.1%
Aurora Investment LLC	Comm/Ag NonHstd	9,778,400	186,166	1.1%
Trustee Group Realty PTR VII	Industrial	7,316,000	145,570	0.8%
Home Depot USA	Commercial	6,550,900	130,268	0.7%
Hazeltine Gates LLC	Commercial	6,161,600	122,482	0.7%
Lake Region Mfg Co. Inc.	Industrial	5,864,800	115,796	0.7%
		<u>\$ 110,409,400</u>	<u>\$ 2,181,491</u>	<u>12.5%</u>

(1) Assessed 2003 values are determined as of January 2, 2003

**CITY OF CHASKA, MINNESOTA**

**SPECIAL ASSESSMENT LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

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<b>ASSESSMENTS PAYABLE YEAR</b>	<b>CURRENT ASSESSMENT LEVY (1)</b>	<b>CURRENT ASSESSMENTS COLLECTED</b>	<b>PERCENT OF CURRENT COLLECTED TO CURRENT LEVY</b>	<b>DELINQUENT ASSESSMENTS COLLECTED (2)</b>	<b>TOTAL COLLECTED</b>
1995	\$ 1,101,494	\$ 1,042,555	94.6%	\$ 36,569	\$ 1,079,124
1996	818,294	811,192	99.1%	7,618	818,810
1997	853,391	776,787	91.0%	7,577	784,364
1998	1,659,532	1,554,430	93.7%	5,999	1,560,429
1999	1,464,834	1,398,672	95.5%	14,090	1,423,622
2000	1,236,140	1,219,226	98.6%	81,770	1,300,996
2001	1,139,519	1,117,012	98.0%	51,042	1,168,054
2002	1,326,672	1,290,027	97.2%	13,731	1,303,758
2003	1,055,391	1,026,172	97.2%	18,031	1,044,203
2004	1,077,826	1,060,138	98.4%	23,070	1,083,208

(1) Does not include assessments on City property

(2) Does not include penalties and interest

TABLE 7

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<u>PERCENT OF TOTAL COLLECTED TO CURRENT LEVY</u>	<u>OUTSTANDING DELINQUENT SPECIAL ASSESSMENTS</u>	<u>PERCENT OF DELINQUENT TO CURRENT LEVY</u>	<u>TOTAL OUTSTANDING ASSESSMENTS (PRINCIPAL)</u>
98.0%	\$ 14,973	1.4%	\$ 4,779,085
100.1%	11,073	1.4%	6,528,388
91.9%	66,757	7.8%	8,587,218
94.0%	166,544	10.0%	7,659,798
97.2%	210,232	14.4%	6,375,080
105.2%	68,378	5.5%	7,924,634
102.5%	45,443	4.0%	9,276,008
98.3%	45,703	3.4%	8,237,827
98.9%	50,536	4.8%	7,283,801
100.5%	37,873	3.5%	8,352,136

**COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2004  
(UNAUDITED)**

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<b>Assessed 2003, Payable 2004 Market Value</b>		<b><u>\$ 1,540,249,600</u></b>
<b>Legal Debt Margin:</b>		
<b>Debt Limit, 2% of Market Value (1)</b>		<b>\$ 30,804,992</b>
<b>Debt Applicable to Limitation:</b>		
<b>Total Bonded Debt</b>	<b>\$ 111,170,000</b>	
<b>Less (2):</b>		
G.O. Tax Increment Bonds	36,030,000	
G.O. Special Assessment Bonds	16,215,000	
G.O. Revenue Bonds	14,985,000	
Revenue Bonds	42,735,000	
Debt Service Funds	<u>26,448</u>	
<b>Total Debt Applicable to Limitation</b>		<b><u>1,178,552</u></b>
<b>Legal Debt Margin</b>		<b><u>\$ 29,626,440</u></b>
1) M.S.A. Section 475.53		
2) M.S.A. Section 475.51		

RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
INCLUDING TAX INCREMENT BONDS  
TO NET TAX CAPACITY VALUE AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(UNAUDITED)

FISCAL YEAR	POPULATION	TAX CAPACITY VALUE (1)	GROSS BONDED DEBT (2)	LESS DEBT SERVICE FUNDS (4)	NET BONDED DEBT	PERCENT OF NET BONDED DEBT TO TAX CAPACITY VALUE	NET BONDED DEBT PER CAPITA
1995	14,000	\$ 7,069,618	\$ 35,009,186	\$ 45,545	\$ 34,963,641	494.6%	\$ 2,497
1996	14,239	8,030,724	34,479,821	276,787	34,203,034	425.9%	2,402
1997	14,673	8,805,421	39,434,090	782,864	38,651,226	438.9%	2,634
1998	15,361	8,660,084	40,898,927	651,135	40,247,792	464.8%	2,620
1999	15,801	9,464,053	55,465,966	5,853,563	49,612,403	524.2%	3,140
2000	17,449	10,293,985	52,829,293	683,229	52,146,064	506.6%	2,988
2001	18,380	12,197,008	49,152,374	624,718	48,527,656	397.9%	2,640
2002	18,961	10,046,713	44,228,009	245,474	43,982,535	437.8%	2,320
2003	20,260	12,054,791	44,762,133	7,711,941	37,050,192	307.3%	1,829
2004	20,260	(4) 13,847,671	36,030,000	3,315,542	32,714,458	236.2%	1,615

RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
EXCLUDING TAX INCREMENT BONDS  
TO NET ASSESSED VALUE AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(UNAUDITED)

FISCAL YEAR	POPULATION	TAX CAPACITY VALUE (1)	GROSS BONDED DEBT (3)	LESS DEBT SERVICE FUNDS (4)	NET BONDED DEBT	PERCENT OF NET BONDED DEBT TO TAX CAPACITY VALUE	NET BONDED DEBT PER CAPITA
1995	14,000	\$ 7,069,618	\$ -	\$ -	\$ -	0.0%	\$ -
1996	14,239	8,030,724	-	-	-	0.0%	-
1997	14,673	8,805,421	-	-	-	0.0%	-
1998	15,361	8,660,084	-	-	-	0.0%	-
1999	15,801	9,464,053	-	-	-	0.0%	-
2000	17,449	10,293,985	-	-	-	0.0%	-
2001	18,380	12,197,008	-	-	-	0.0%	-
2002	18,961	10,046,713	-	-	-	0.0%	-
2003	20,260	12,054,791	-	-	-	0.0%	-
2004	20,260	(5) 13,847,671	-	-	-	0.0%	-

(1) From Table 4

(2) Does not include special assessment (improvement) bonds and revenue bonds

(3) Does not include special assessment (improvement) bonds, revenue bonds and tax increment bonds

(4) Amount available for repayment of general obligation bonds

(5) 2004 population not available, 2003 population used



RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL  
OBLIGATION BONDED DEBT (1) TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES  
LAST TEN FISCAL YEARS  
(UNAUDITED)

FISCAL YEAR	PRINCIPAL	INTEREST (2)	TOTAL DEBT SERVICE	TOTAL (3) GENERAL EXPENDITURES	PERCENTAGE OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
1995	\$ 2,693,750	\$ 1,631,931	\$ 4,325,681	\$ 8,924,110	48.5%
1996	2,626,250	1,577,737	4,203,987	9,149,937	45.9%
1997	5,315,000	2,042,755	7,357,755	12,835,576	57.3%
1998	5,850,000	2,084,998	7,934,998	13,602,898	58.3%
1999	5,715,000	2,598,120	8,313,120	17,823,759	46.6%
2000	5,965,000	2,979,609	8,944,609	16,310,112	54.8%
2001 (4)	4,755,000	2,059,325	6,814,325	17,585,117	38.8%
2002	6,260,000	2,015,140	8,275,140	17,962,403	46.1%
2003	8,125,000	1,959,782	10,084,782	21,027,877	48.0%
2004 (5)	14,482,152	2,023,165	16,505,317	20,081,919	82.2%

(1) General Obligation Revenue Bonds reported in the enterprise funds have been excluded

(2) Excludes bond issuance and other costs

(3) Includes general, special revenue, and debt service funds

(4) Beginning 2001, principal and interest includes only G. O. pledged debt

(5) Principal includes \$6,242,152 defeased in 2004 from crossover refunding escrow

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
 DECEMBER 31, 2004  
 (UNAUDITED)

	GROSS DEBT	DEBT SERVICE FUNDS	NET DEBT	PERCENT OF DEBT APPLICABLE TO CITY	NET DEBT APPLICABLE TO CITY
<b>DIRECT DEBT:</b>					
City of Chaska (1)	\$ 63,195,000	\$ 7,259,590	\$ 55,935,410	100.00%	\$ 55,935,410
<b>OVERLAPPING DEBT:</b>					
Carver County	12,079,000	2,509,483	9,569,517	19.46%	1,862,228
Carver County HRA	27,203,315	2,457,290	24,746,025	19.46%	4,815,576
Independent School District #112	169,335,000	38,163,670	131,171,330	35.12%	46,067,371
Metropolitan Council	891,520,429	108,642,000	782,878,429	0.46%	3,601,241
Metropolitan Airports Commission	1,862,251,000	240,027,945	1,622,223,055	0.46%	7,462,226
Total Overlapping Debt	<u>2,962,388,744</u>	<u>391,800,388</u>	<u>2,570,588,356</u>		<u>63,808,642</u>
Total Direct and Overlapping Debt	<u>\$ 3,025,583,744</u>	<u>\$ 399,059,978</u>	<u>\$ 2,626,523,766</u>		<u>\$ 119,744,052</u>

(1) Excluding general obligation and revenue bonds reported in the enterprise funds

CITY OF CHASKA, MINNESOTA

REVENUE BOND COVERAGE  
DECEMBER 31, 2004  
(UNAUDITED)

FISCAL YEAR	GROSS REVENUE (2)	OPERATING EXPENSES (3)	NET AVAILABLE FOR DEBT SERVICE
<b>DEBT SERVICE FUNDS: LAST TEN FISCAL YEARS</b>			
1995	\$ 176,357	\$ 397,500	\$ (221,143)
1996	197,184	2,956	194,228
1997	290,151	16,346	273,805
1998	331,202	1,609	329,593
1999	390,528	146,773	243,755
2000	952,652	1,000	951,652
2001	869,740	186,382	683,358
2002	926,006	3,000	923,006
2003	1,327,732	4,816	1,322,916
2004	3,375,471	54,406	3,321,065
<b>ELECTRIC ENTERPRISE FUND: LAST TEN FISCAL YEARS</b>			
1995	\$ 10,084,541	\$ 7,658,109	\$ 2,426,432
1996	11,044,784	7,998,554	3,046,230
1997	11,658,404	8,378,300	3,280,104
1998	12,146,374	10,058,042	2,088,332
1999	12,612,121	11,130,988	1,481,133
2000	13,740,583	11,883,599	1,856,984
2001	14,909,771	13,076,071	1,833,700
2002	15,298,441	13,783,120	1,515,321
2003	16,530,580	15,423,928	1,106,652
2004	17,242,951	16,412,399	830,552
<b>WATER ENTERPRISE FUND: LAST TEN FISCAL YEARS</b>			
1995	\$ 521,777	\$ 406,012	\$ 115,765
1996	620,201	405,386	214,815
1997	886,839	586,118	300,721
1998	679,146	454,758	224,388
1999	642,508	530,411	112,097
2000	753,496	580,866	172,630
2001	783,606	672,623	110,983
2002	797,805	647,981	149,824
2003	1,111,975	742,644	369,331
2004	1,087,103	752,324	334,779
<b>SEWER ENTERPRISE FUND: LAST TEN FISCAL YEARS</b>			
1995	\$ 1,312,715	\$ 1,307,704	\$ 5,011
1996	1,368,999	1,250,542	118,457
1997	1,428,905	1,298,283	130,622
1998	1,461,969	1,311,533	150,436
1999	1,449,605	1,399,484	50,121
2000	1,547,431	1,300,465	246,966
2001	1,572,016	1,410,926	161,090
2002	1,520,992	1,338,899	182,093
2003	1,598,728	1,527,943	70,785
2004	1,747,400	1,520,616	226,784
<b>TURBINE GENERATOR ENTERPRISE FUND: LAST FIVE FISCAL YEARS (1)</b>			
2000	\$ 1,570,258	\$ 220,528	\$ 1,349,730
2001	462,969	45,251	417,718
2002	2,641,884	69,400	2,572,484
2003	2,531,995	49,783	2,482,212
2004	2,562,781	121,331	2,441,450

(1) First year shown is first year of issuance

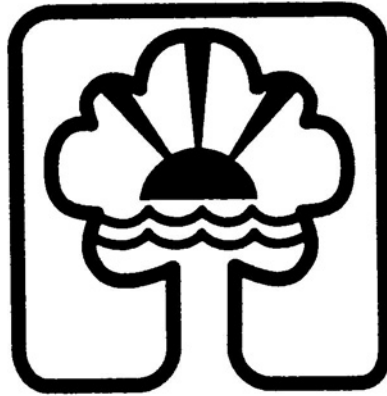
(2) Includes interest revenue

(3) Does not include depreciation or transfers to other funds

(4) Includes principal and interest payment of revenue bonds only

TABLE 12

DEBT SERVICE REQUIREMENTS (4)				
PRINCIPAL	INTEREST	TOTAL	COVERAGE	
\$ 65,000	\$ 237,125	\$ 302,125	(0.73)	
170,000	306,773	476,773	0.41	
185,000	330,080	515,080	0.53	
265,000	346,046	611,046	0.54	
225,000	513,469	846,342	0.29	
380,000	748,521	1,128,521	0.84	
415,000	729,464	1,144,464	0.60	
460,000	800,574	1,260,574	0.73	
1,320,000	768,042	2,088,042	0.63	
3,525,000	611,320	4,136,320	0.80	
\$ 175,000	\$ 83,175	\$ 258,175	9.40	
215,000	43,940	258,940	11.76	
215,000	26,840	241,840	13.56	
200,000	17,700	217,700	9.59	
200,000	9,000	209,000	7.09	
-	-	-	N/A	
-	-	-	N/A	
-	-	-	N/A	
-	-	-	N/A	
-	-	-	N/A	
\$ 100,000	\$ 80,025	\$ 180,025	0.64	
145,000	68,150	213,150	1.01	
145,000	48,064	193,064	1.56	
175,000	42,409	217,409	1.03	
180,000	35,409	215,409	0.52	
200,000	27,759	227,759	0.76	
195,000	18,560	213,560	0.52	
85,000	10,874	95,874	1.56	
35,000	339,134	374,134	0.99	
280,000	574,728	854,728	0.39	
\$ 180,000	\$ 38,805	\$ 218,805	0.02	
190,000	32,775	222,775	0.53	
195,000	25,650	220,650	0.59	
205,000	17,850	222,850	0.68	
210,000	9,240	219,240	0.23	
-	-	-	N/A	
-	-	-	N/A	
-	-	-	N/A	
-	-	-	N/A	
-	-	-	N/A	
\$ -	\$ 770,258	\$ 770,258	1.75	
-	2,031,773	2,031,773	0.21	
505,000	2,029,274	2,534,274	1.02	
530,000	2,004,529	2,534,529	0.98	
555,000	1,978,029	2,533,029	0.96	



CHASKA

CITY OF CHASKA, MINNESOTA
**DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>NUMBER OF HOUSEHOLDS (1)</u>	<u>PER CAPITA INCOME (2)</u>	<u>K-12 ENROLLMENT (3)</u>	<u>UNEMPLOYMENT RATE (4)</u>
1995	14,000	5,221	26,188	4,561	2.5%
1996	14,239	5,339	27,881	4,831	2.5%
1997	14,673	5,513	31,469	4,992	2.1%
1998	15,361	5,699	34,284	5,418	1.8%
1999	15,801	5,867	36,063	5,764	2.2%
2000	17,449	(5) 6,104	(5) 38,917	6,053	2.1%
2001	18,380	6,514	40,349	6,522	2.8%
2002	18,961	6,888	40,559	7,020	3.7%
2003	20,260	7,445	40,807	7,187	4.2%
2004	20,260	(6) 7,445	(6) 40,807	(6) 7,355	3.9%

(1) Source: Metropolitan Council annual estimate as of April 1st

(2) Source: Minnesota State Demographer, using U.S. Department of Commerce,  
Bureau of Economic Analysis (BEA) Personal Income, Carver County per capita income

(3) Source: Minnesota Department of Education for Independent School District #112, includes  
private school data for St. John's Lutheran, Guardian Angels Catholic, and Southwest Christian High School  
Enrollment excludes K-5 District #112 buildings not located within the City

(4) Source: Minnesota Department of Employment and Economic Development (Minnesota Workforce Center)  
Average Annual Unemployment Rate: 1995-2004 for Carver County

(5) Source: Minnesota Planning and U.S. Census Bureau, Census 2000 data

(6) 2004 population not available, 2003 data used

**CITY OF CHASKA, MINNESOTA**

**PROPERTY VALUES, CONSTRUCTION AND BANK VALUES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

FISCAL YEAR	BANK DEPOSITS (1)	REAL PROPERTY TAX CAPACITY VALUE			COMMERCIAL, INDUSTRIAL AND PUBLIC	
		COMMERCIAL INDUSTRIAL AND PUBLIC (2)	RESIDENTIAL (3)	NUMBER OF PERMITS	MARKET VALUE	
1995	\$ 138,059,293	\$ 6,381,009	\$ 5,724,605	27	\$ 21,070,230	
1996	141,197,720	6,746,511	6,593,312	38	36,421,023	
1997	158,644,000	8,121,094	7,201,944	48	15,760,293	
1998	159,037,692	7,979,805	7,340,623	40	11,663,184	
1999	160,516,293	7,449,757	7,569,638	52	12,293,780	
2000	213,132,318	7,548,451	8,282,937	56	20,587,706	
2001	234,333,039	8,237,343	9,621,020	36	30,601,935	
2002	256,938,000	5,185,676	8,236,509	43	6,049,666	
2003	276,323,000	5,528,730	9,865,043	37	15,576,817	
2004	242,952,000	5,628,082	11,865,939	47	(4) 29,750,940	

(1) Source: Wells Fargo Bank Minnesota (MidAmerica Bank through October 1998 and Norwest Bank from October 1998 - June 2000), First National Bank of Chaska, Security Bank, and Community Bank Corporation beginning in 2000  
Deposit data as of 6/30/04

(2) Commercial Industrial and Public includes: agriculture, public utility, railroad operating, all other commercial and industrial, and seasonal/recreational commercial and residential

(3) Residential includes: homestead (non-agricultural), and non-homestead

(4) Includes \$17,118,000 for remodeling and additions to 3 public schools

TABLE 14

BUILDING PERMIT ACTIVITY					
SINGLE FAMILY HOMES AND SINGLE UNIT TOWNHOMES		APARTMENTS AND MISCELLANEOUS RESIDENTIAL		TOTAL	
NUMBER OF PERMITS	MARKET VALUE	NUMBER OF PERMITS	MARKET VALUE	NUMBER OF PERMITS	MARKET VALUE
111	\$ 16,995,651	242	\$ 1,895,590	380	\$ 39,961,471
134	21,157,539	262	6,878,802	434	64,457,364
161	26,261,278	347	8,869,126	556	50,890,697
165	28,738,570	404	6,919,341	609	47,321,095
194	33,286,262	471	8,172,142	717	53,752,184
186	32,562,839	456	23,839,483	698	76,990,028
184	32,074,115	602	27,407,721	822	90,083,771
307	50,546,215	658	26,588,686	1,008	83,184,567
279	55,303,599	597	26,232,854	913	97,113,270
235	49,017,120	546	29,257,168	828	108,025,228



**CITY OF CHASKA, MINNESOTA**

**MISCELLANEOUS STATISTICS  
DECEMBER 31, 2004  
(UNAUDITED)**

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Date Founded	1851	
Date of Incorporation	March 3, 1891	
Form of Government	Statutory City (State Statutes Chapter 412) Optional Plan A (State Statutes Chapter 412.541 through 412.591) Council/Administrator (State Statutes Chapter 412.023, Subdivision 5)	
Legislative Class	Third Class (population 10,000 - 20,000)	
Area	14.5 Square Miles (9,300 Acres)	
Miles of Streets	State Trunk Highway	8.05
	County MSA	8.83
	Unbuilt	(2.71)
	County	2.38
	City MSA	16.22
	Unbuilt	(0.51)
	City/Local	71.32
	Total Paved Roads	<u>103.58</u>
Fire Protection:		
Number of Stations	1	
Number of Hydrants:		
City	1,114	
Private	320	
Number of Firefighters	44	
ISO Fire Rating	5 (1-Best, 10-Lowest)	
Police Protection:		
Number of Stations	1	
Number of Police Officers	22	
Electric System:		
Number of Connections (Billed)	8,329	
Number of Substations	2	
Purchased KWH Power Wholesale From		
MMPA	280,749,554 (KWH)	
Total KWH Sales	264,877,924 (KWH)	
Peak KW Demand	59,146 (KW)	

(Continued)

TABLE 15  
(Continued)

**Water System:**

Number of Connections (Billed)	5,582
Number of Wells (Well #4, #5, #6, #7, #8, and #9)	6
Total Water Pumped	984,017,000 gallons
Total Water Sold	875,208,000 gallons
System Peak Day	6,100,000 gallons
Average Daily Usage	2,566,000 gallons per day
Total Pumping Capacity	12,168,000 gallons per day
Filtration Capacity	5,184,000 gallons per day
Total Storage Capacity	3,600,000 gallons

**Sewer System:**

Number of Connections (Billed)	5,455
Total Gallons Treated	678,672,000 gallons
Sewer Service from Treatment Plant at Metropolitan Council Environmental Services	

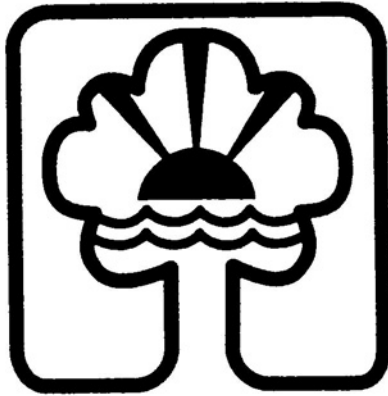
**Culture and Recreation:**

Number of Parks	20 parks: 925 total acres, 265 acres of maintained areas.
Golf Courses	3 (1-18 hole private; 1-18 hole municipal; 1-9 hole municipal)

**Education:**

<b>Independent School District #112</b>		
Elementary (K-5)	7 buildings, total enrollment (1)	3,861
Middle School (6-8)	2 buildings, total enrollment	1,847
Freshman Center (9)	1 building, total enrollment	652
Senior High (10-12)	1 building, total enrollment	1,753
<b>Total Independent School District #112</b>		<b>8,113</b>
St. John's Lutheran (K-8)	1 building, total enrollment	214
Guardian Angels Catholic (K-8)	1 building, total enrollment	253
Southwest Christian High School	1 building, total enrollment	172
<b>Total Enrollment</b>		<b>8,752</b>
Less Enrollment in Three Elementary Buildings not Located within the City		(1,397)
<b>Total Enrollment within the City</b>		<b>7,355</b>

(1) Includes 1,397 students in three buildings not located within the city



CHASKA